JPRS-NEA-87-061

5 JUNE 1987

FOREIGN BROADCAST INFORMATION SERVICE

JPRS Report

Near East & South Asia

SPECIAL NOTICE

Effective 1 June 1987 JPRS reports will have a new cover design and color, and some reports will have a different title and format. Some of the color changes may be implemented earlier if existing supplies of stock are depleted.

The new cover colors will be as follows:

CHINA.....aqua
EAST EUROPE.....gold
SOVIET UNION.....salmon
EAST ASIA.....yellow
NEAR EAST & SOUTH ASIA...blue
LATIN AMERICA.....pink
WEST EUROPE.....ivory
AFRICA (SUB-SAHARA).....tan
SCIENCE & TECHNOLOGY.....gray
WORLDWIDES.....pewter

If any subscription changes are desired, U.S. Government subscribers should notify their distribution contact point. Nongovernment subscribers should contact the National Technical Information Service, 5285 Port Royal Road, Springfield, Virginia 22161.

JPRS-NEA-87-061

5 JUNE 1987

NEAR EAST & SOUTH ASIA

CONTENTS

REGIONAL

Moscow Considering Intervening in Gulf War
(AL-DUSTUR, 2 Mar 87) 1

NEAR EAST

EGYPT

Columnist Analyzes Libyan Defeat in Chad
(Muhsin Muhammad; AL-JUMHURIYAH, 19 Apr 87) 3

Columnist Criticizes Existing Election Law
(Muhammad al-Hayawan; AL-JUMHURIYAH, 18 Apr 87) 5

Press Criticized for Its Conduct During Elections
(Kamil Zuhayri; AL-JUMHURIYAH, 19 Apr 87) 7

Hopes for New People's Assembly Expressed
(Muhsin Muhammad; AL-JUMHURIYAH, 20 Apr 87) 9

Study on Population Problem, Food Supply Outlined
(AL-MAJALLAH, 29 Apr-5 May 87) 11

Founders of New TV News Agency Interviewed
(Muhammad, Nadir Jawhar Interview; AL-MAJALLAH, 29 Apr-5 May 87) 15

LEBANON

Fadlallah Discusses Hostages, Security Plan, Camps War
(Muhammad Husayn Fadlallah Interview; AL-HAWADITH, 27 Mar 87) 18

SAUDI ARABIA

Al-Mudarris Appraises Commercial Relations With Britain
('Abd-al-Karim al-Mudarris Interview; AL-MAJALLAH, 25-31 Mar 87) 24

Industry Minister Calls for Free Trade Among Countries
(AL-DUSTUR, 13 Apr 87) 28

TUNISIA

MDS Member Discusses Political, Economic Crisis
(Khamis Chamari Interview; AL-MAJALLAH, 18-24 Mar 87) ... 31

Hedi Baccouche Discusses Maghreb Relations, Islamists' Influence
(Hedi Baccouche Interview; AL-HAWADITH, 27 Mar 87) 37

Case Against Former UGTT Leader Achour Discussed
(Masour Cheffi Interview; AL-MAJALLAH, 18-24 Mar 87) 42

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

'Ali Nasir Puts Leaders on Trial
(AL-AMAL, 5 Mar 87) 45

YEMEN ARAB REPUBLIC

Switzerland, Saudi Arabia, Qatar Finance Reconstruction
(Riyad Shamsan; AL-THAWRAH, 24 Mar 87) 48

Numerous Projects Contribute to Development in Dhamar
(AL-JUMHURIYAH, 20, 22 Mar 87) 51

Oil Production Expected To Improve Economic Situation
(Siba Paris; AL-TADAMUN, 11-17 Apr 87) 55

SOUTH ASIA

INDIA

Cut in U.S. Aid Termed Not Surprising
(Editorial; THE TIMES OF INDIA, 7 Apr 87) 57

Reportage, Comment on Possible Supercomputer Purchase
(THE TELEGRAPH, 13 Apr 87; THE TIMES OF INDIA, 17, 18 Apr 87) 59

U.S. May Upgrade Offer 59
U.S. 'Fears'Cited, by J. N. Parimoo 60
Insult Added to Injury, Editorial 61

Developments in Indo-Soviet Trade, Cooperation
(Various sources, various dates) 62

Soviet Scientist Interviewed, Guri Marchuk Interview 62
Trade Delegations Meet 64
Industrial Cooperation Pact 64
Telecom Accord Signed 65

Continuing Reportage on Swedish Arms Purchase Allegations
(THE HINDU, 29 Apr 87) 66

Paper Corrects Misinterpretation 66
Gandhi Speech to Commanders 67
Discussion in Parliament 68

Papers Report Development in Fairfax Case
(Various sources, 6, 7 Apr 87) 71

Singh, P. K. Kaul Remarks 71
CPI Resolution 72
Probe Planned, Speaker's Ruling 73
Panel's Terms of Reference 75
'Foreign Hand' Theory Considered, by Girilal Jain 75

Tension Arises Along Assam-Nagaland Border
(Wasbir Hussain; THE TELEGRAPH, 9 Apr 87) 78

Interview With Janata President Chandra Shekhar
(Tushar Bhatt; THE TELEGRAPH, 10-11 Apr 87) 79

Papers Report CPI National Council Meet, Sen Ouster
(Various sources, various dates) 86

Report on Resolutions 86
Mohit Sen Dropped 87
Interview With TELEGRAPH Reporter, Mohit Sen Interview 87
PATRIOT Interview, Mohit Sen Interview 90

Commerce Ministry Releases Foreign Trade Figures
(THE STATESMAN, 7 Apr 87) 92

Papers Report on Past, Future Grain Production
(THE TELEGRAPH, 8, 9 Apr 87; PATRIOT, 15 Apr 87) 93

Food Department Annual Report 93
Agriculture Department Report 94
Food Corporation's Arrangements 95

IRAN

Majlis Considers 1987 Budget
(KEYHAN, 7, 18 Mar 87) 97

Budget Examined 97
Budget Approved 103

Majlis Approves Amended 1986 Budget Proposal
(KEYHAN, 7 Mar 87) 107

Foundation for Oppressed Submits Budget
(KEYHAN, 18 Mar 87) 110

PAKISTAN

Details of G. M. Syed's Birthday Celebration Given
(Javed Chandio; JANG, 23 Jan 87) 111

/9986

MOSCOW CONSIDERING INTERVENING IN GULF WAR

London AL-DUSTUR in Arabic 2 Mar 87 p 5

[Article: "Moscow and the Gulf War"]

[Text] The Soviets have decided to "forcefully" intervene in the Gulf war--through diplomatic negotiations aimed at ending the Iraq-Iran war, which has begun to make Moscow uneasy just as it has threatened the security of the Arab states in the region.

The impression which Gulf observers have received is that what is happening now is the start of a new phase, the most important feature of which is an international attempt to disclose the Iranian conditions to which Teheran has clung for years to justify an obstinancy foreign to the principles and spirit of international law.

The outlines of the new phase have been revealed by events in Moscow, in particular the negotiations with Iraqi Deputy Prime Minister and Foreign Minister Tariq ¶Aziz, considered the most important Soviet-Iraqi negotiations since President Saddam Husayn¶s last visit to the Soviet Union. Before that, the Iranian foreign minister's meetings with the Soviets had concentrated on a search for ways to end the Gulf war, at the request of the Kremlin leaders, who stressed their rejection of the war's escalation and continuation.

In any case, it seems that secrecy will be the preferred policy at present, although the situation on the front between the two warring countries may see an experiment at a longer truce, if Iran keeps the promises it is said to have made to the Soviets, until such time as peace negotiations can be set up on the basis of breaking Iranian intransigence and affirming Iraq¶s territorial sovereignty. The most important observations which have been made about a truce in the war of the cities and the Soviet diplomatic efforts are as follows:

1. Benefitting from the aftereffects of the American arms deals with Iran, particularly the dwindling sources of arms, which might discourage Teheran from continuing to attack Iraqi territory; and

2. Convincing the Teheran government that the party which stands to be hurt most by continued fighting is Iran itself, since the seeds of civil war are growing, fed by the military losses on the front and the economic hardships on

the domestic scene. The Soviets, who are rejecting any plots to redraw the maps of the region, also reject the idea of facing the unknown on their southern borders, particularly in case the power struggle in Iran reaches a culmination.

However, one indication which cannot be ignored, in the context of the surprising Soviet activity on the Gulf front, is the commentary broadcast a few days ago by Radio Moscow, which concentrated on what might accomplished through Soviet-Saudi coordination as part of the efforts to quell the Iraq-Iran war. Is this just an isolated act on the part of the Kremlin to get closer to Riyadh? Some observers in the Gulf feel that it goes further than that. The test will be how long the truce experiments between Iraq and Iran last, and whether Soviet pressures on those who reject the language of reason are successful.

8559
CSO: 4404/328

COLUMNIST ANALYZES LIBYAN DEFEAT IN CHAD

Cairo AL-JUMHURIYAH in Arabic 19 Apr 87 p 10

[Commentary by Muhsin Muhammad: "From the Heart"]

[Text] Libyan planes launched a violent bombing attack on Chad not to wipe out Chadian forces, and not to allow the Libyans to reoccupy the positions they had withdrawn from, and not to prepare for a new attack preceded by bombers. Instead, the air attack had only one purpose--to destroy the undamaged arms and planes which the Libyan forces had left behind when they withdrew. The Libyans, when they were defeated and withdrew from the last of their major positions in northern Chad, left their weapons untouched, not destroying them as military forces should do during a withdrawal.

In our battles, we Arabs have always abandoned our most important weapons! The Libyans left behind them MIG and Tupelov planes, SAM missiles, SAM-13 ground-to-air missiles, radar equipment, and fighter planes, as well as tanks.

This booty gives journalists some indication of the haste of the Libyan withdrawal and its lack of planning, and shows that the defeat was crushing!

The strange thing about the affair was the description of how the battles between the Chadians and the Libyans were conducted. The 1,300 French soldiers took no part in these battles, but left the Muslims to fight each other with their weapons. They fought and died, while the French stood by like spectators!

The world press began writing about the most serious battles in the Chad war, and how they lasted only 90 seconds before victory was achieved.

Experts compared them to the battle of Trafalgar, which saw Napoleon's defeat and led to his political demise.

The problem with this comparison is that it likens al-Qadhdhafi to Napoleon!

There is another story about a new French anti-tank rocket called the Millon, which was responsible for the destruction of Libyan tanks.

It is even said that the speed with which this defeat was inflicted makes it a textbook case, and the Chadian generals are being compared to French generals of long ago!

It is also said that the Chadians, racing with tanks and rockets in pursuit of the retreating Libyan forces, were not combatants, but race-car drivers speeding between Paris and Dakar in a mad, high-speed race!

The Chadians began looking for 2,000 Libyan soldiers lost in the desert who would die of thirst, in addition to the killed and the wounded.

Libya was left with nothing but one small oasis in the far north, on the Chad-Libyan borders. The Chadians could have attacked it, but the attack may have been delayed because from the very beginning the intention was to entangle the Libyan forces and make them think that they could be victorious and overrun and dominate the heart of sub-Saharan Africa.

Al-Qadhdhafi believed the ruse, which lasted for years and exhausted his money and the efforts and morale of the Libyans in the Chadian Vietnam or Vietnamese Chad!

8559
CSO: 4504/227

COLUMNIST CRITICIZES EXISTING ELECTION LAW

Cairo AL-JUMHURIYAH in Arabic 18 Apr 87 p 5

[Commentary by Muhammad al-Hayawan: "Words of Love"]

[Text] The elections are all over now, and we can begin again. The new assembly is faced with difficult tasks, but the opposition is still shouting and milling around over the election results. It may or may not be right in what it is saying, and some people may believe it while others may turn their backs and pay no attention to it. The silent majority may be influenced by that and completely lose their confidence in elections, because the results are alwaays the same, and the faces of those dabbling in politics have not changed in the past 50 years.

The people might be excused for believing part of what the opposition is saying, because the national press has been printing different things about the elections, and new numbers and new names have emerged, whereby the winners have lost and the losers have won. The reason for this questionable issue is the election law, which as everyone can testify is quite complicated in how it keeps its accounts and its figures. Everyone can also testify that it does not give completely accurate results. The way it divides, subtracts and multiplies often gives the voters' votes to other parties.

Just as the existing election system overloads the computers and the parties, it also bears down on the voter and sends him into a spin. Most writers, commentators and constitutional scholars have discussed this topic. Even so, the fact remains that the existing law is a mixture of several laws. Assuming that there can be no exception to elections by list, then if we vote for the list, we have to vote for abolishing the women's seats, which actually happened, and for abolishing seats by appointment and the workers' and peasants' quota. The parties should be allowed to put scholars and learned men worthy of appointment on their lists, and workers and peasants whom they feel will tip the scale in their favor, in whatever order they want. For example, a party might decide to put pashas and beys on its list, and go to the ballot boxes and try its luck. In the final analysis, the critical point is that no exceptions can be made, and no conditions applied, to the lists.

Adopting the list system across the board is good for small countries like Israel, and at the same time allows any party to go to the polls. In all countries, elections are by one list per party. But the large countries, like West Germany, have adopted both systems equally, meaning that half the members are elected by list and half by individual seats.

As long as we continue to take one flower from each garden, and something from each election law, and put it all together into a single law, there is bound to be excesses, and the opposition will always be yelling.

The best thing would be for us to return to individual elections and small districts, so that the voter would know all the candidates and would go to the ballot box to elect a certain candidate or defeat another one. This would be an incentive to the voter, and would make the candidate think of satisfying the voter and gaining his trust, instead of seeking the approval of the party bosses just because they own the lists.

8559
CSO: 4504/227

PRESS CRITICIZED FOR ITS CONDUCT DURING ELECTIONS

Cairo AL-JUMHURIYAH in Arabic 19 Apr 87 p 10

[Commentary by Kamil Zuhayri: "Through the Keyhole"]

[Text] In the last elections, the Egyptian press won by an overwhelming majority.

However heated the elections might have been in some districts, or listless in the big cities, they burst into rapid flame in the pages of the press. Every party which participated in the elections had its own newspaper, with its own writers and editors, and this press was full of news and ideas.

But most of the parties addressed only their supporters, not their opponents, as if those whom they passed over were unconnected with the issue. This might be only natural at the beginning, for most people want first of all to clear their accounts with the past and relegate them to history. The future is not that fortunate.

But on the whole journalistic dialog is fruitful and beneficial. One only has to follow the serious dialog between AL-AHRAM and AL-SHA'B, conducted in articles by Ahmad Baha'-al-Din and Salah Hafiz in which they question work and unity, or to read the replies of Hamid Abu-al-Nasr, Tariq al-Bishri, Salah Shaddi, and 'Adil Husayn. The give-and-take has been brilliant, and the debate refined. One has only to read the two different columns on the same page of AL-AKHBAR, written by Columnists Jalal-al-Din al-Hamamsi and Mahmud 'Abd-al-Mun'im Murad, to see that the differences between the two have not obliterated debate and coexistence.

This dialog, along with many other examples, is a major gain for an important democratic virtue--the virtue of dialog.

There is another point which has no doubt confused many people--counting up the money spent during the election campaigns, money which would have been better spent elsewhere. AL-AHRAM's political and strategic studies center may be able to do such an accounting, for under the supervision of al-Sayyid Yasin and with the help of serious researchers, it published a serious, comprehensive, scrupulously scientific study of the 1984 elections. The center may also be publishing its latest study of the last elections very soon, for it has all the important figures, comparisons and indices.

The press has fallen into an unfortunate quandary which ought to have been avoided.

The basic guideline for freedom of the press is respect for the right to rebuttal. This is a sacred right provided by the journalistic code. On the morning of the elections, some newspapers published allegations against Ibrahim Shukri and Mustafa Kamil Murad. The publication of these accusations at this particular time prevented these worthy men from replying in time.

In France, the freedom of the press has become so self-evident that the French feel no need to provide for it in the articles of the constitution, and merely refer to it in the preamble. Even so, they penalize any news coverage which tries to influence the elections.

Our law provides for respecting the right of rebuttal, a right which is guaranteed to all. Publishing this news on the morning of the elections was a mistake which should have been avoided.

Nevertheless, the general picture confirms that in spite of its differences, the press won the last elections by an overwhelming majority.

8559
CSO: 4504/227

HOPES FOR NEW PEOPLE'S ASSEMBLY EXPRESSED

Cairo AL-JUMHURIYAH in Arabic 20 Apr 87 p 12

[Commentary by Muhsin Muhammad: "From the Heart"]

[Text] We would never want the new People's Assembly to repeat what went on in the old assembly.

We want the office of president of the People's Assembly to retain its prestige, grandeur and dignity, because aspiring to be president of the assembly ought to be the aim of every member. The dignity of the members derives from the president's dignity, and when the assembly president stands heads above everyone else, the assembly can command everyone's respect.

We don't want the assembly president to be treated as an adversary.

He has a huge task--coordinating the members, regulating government-opposition matters, and providing everyone the opportunity to express and defend his point of view. The president of Egypt seizes every opportunity to stress that we are all Egyptians and that we all believe in the common good, which means that everyones' opinions are desired. This is why parliaments exist, and this is why the people elect them.

We hope that the government will be given every opportunity to present its laws and explain its plans. The first duty of any parliament is to be a pulpit from which the government can explain its policy to the people, as well as a podium for the government's opposition, as long as it does not oppose the regime or the social compact.

Nobody wants the government majority to present bills at the last minute and force the members to approve them in order to meet the deadlines. We want each member to be given enough time to present the people's views on these laws.

The government majority in the People's Assembly is completely secure, and therefore it does not need to maneuver in order to submit bills to the assembly. Nor should there be any opportunity for anyone to accuse the government of maneuvering. In this case the best approach is to be absolutely clear and to work in broad daylight.

In the past, several bills would be presented all at once during the final sessions of the People's Assembly, just before adjournment. There was no call for that. The members would give various explanations, none of which satisfied the government.

The People's Assembly is capable of embracing all tendencies, no matter what they are, and making the people feel that the democratic tendency is the strongest and will prevail.

When Sa'd Zaghlul was prime minister in 1924, the delegate most violently opposed to him was Fikri 'Abazah. Even so, Sa'd Zaghlul welcomed the young deputy, let him talk, and prevented anyone from interrupting him, because Fikri 'Abazah would combine seriousness and levity, while showing respect for Zaghlul, who returned his esteem and never said or whispered anything hurtful.

This mutual respect between the deputy and the prime minister was inevitable and open.

We can revive some of these old traditions and add new, praiseworthy ones.

We are all Egyptians.

We are all striving for the public good, which can be attained through serious, objective, non-abusive words which will enhance the standing of all the delegates in the People's Assembly, president and members alike.

8559
CSO: 4504/227

STUDY ON POPULATION PROBLEM, FOOD SUPPLY OUTLINED

London AL-MAJALLAH in Arabic 29 Apr-5 May 87 pp 32-33

[Article: "Scientific Study Warns of Increasing Gravity of Food Problem; Population Explosion Threatens Food Program in Egypt; Scientific Study Issued by specialized national councils Warn That Any Economic Projects To Confront the Food Crisis Will Not Succeed in Ending the Crisis if Egypt Does Not Deal Decisively With the Problem of the Population Explosion"]

[Text] The study was prepared by Engineer Shukri Ayyub, assessor for the agricultural production section and member of the population policy section of the specialized national councils. He previously held the position of head of the union of agriculturalists in Egypt.

The study says that there is no dispute initially about the fact that the growth rate of agricultural production in Egypt is still below the rate of population increase and the continued increase of consumption, and that Egypt, which until the beginning of the sixties used to export a food surplus, imported [food] valued at 1.9 billion Egyptian pounds to cover its needs in 1985. Land reclamation operations did not add new agricultural land during the seventies and eighties. What was reclaimed during the fifties and sixties amounted to 912,000 feddans, only one-third of which is "marginally productive"; the remainder is idle and requires about 5 billion Egyptian pounds so that it can be cultivated to achieve "marginal productivity."

Reclamation operations are increasing somewhat, but those that take place are below the goal every year. Some time will probably pass before any sufficiency is achieved; during this time consumption and reliance on importation to cover all aspects of the deficit will increase, especially in wheat and corn, imports of which are increasing every day.

Regarding the present situation in the area of food consumption and the latest reports and statistics on the subject, Engineer Shukri Ayyub begins his study first with a review of the wheat situation, in view of its prime importance. Egypt meets its requirements for wheat and high-quality flour from international markets. Purchase takes place in four ways: purchase on the free market; purchase under international agreements made every 3 or 4 years between wheat-exporting and wheat-importing countries, with Egypt,

as an importer, being a member of the latter group; purchase under American Public Law 480, which deals with the export of the American agricultural surplus to developing countries, with payment taking place over a 40-year period from the delivery of the wheat, a grace period of 10 years, 3.5 percent interest, and the price paid not in hard currency, but in Egyptian pounds to the account of the American embassy in Cairo; and purchase from Australia and France, with a non-elastic payment method in which the price is paid in free currencies in quarterly installments (interest taken into account) and with no grace period at the time of payment. In addition, Egypt has been receiving 96,000 tons of wheat as aid from the United States for a period of 5 years beginning in 1981-82; its value is turned over to the agency responsible for building and developing Egyptian villages. There is also some aid coming from Australia, France, Italy the European Common Market, and the World Food Program. In 1986, Saudi Arabia gave Egypt quantities of wheat as aid.

73 Percent Increase in Consumption

According to the most recent statistics that have appeared on wheat consumption in Egypt, it is clear that the quantity of wheat destined for consumption increased from about 4.7 million tons in 1974, to 8.2 million tons in 1981, a 73 percent increase, and to 8.37 million tons in 1985. This was due to population increase, change in consumption patterns as a result of increased income, the entry of the rural population as new consumers of food-allowance flour because its price became lower than the price of local production, and the switch from barley to wheat flour use by the desert population. Thus, the quantity of wheat imports during this period increased 153 percent, because of the widening gap between domestic wheat production and consumer needs.

[Government] support for wheat alone amounted to 79 million Egyptian pounds in 1973. In 1981, it amounted to 858 million Egyptian pounds. In 1985, it dropped to 615 million Egyptian pounds. This drop stems from rationalization measures applied to the price and weight of a loaf of bread. It becomes clear that support for a ton of local wheat costs about 51.5 Egyptian pounds, while support for an imported ton costs 87 Egyptian pounds (1985 prices).

The author of the study says that based on the latest reports from the Ministry of Agriculture, predictions for the food situation, if production and consumption rates that existed during the seventies (the years of the present plan) continue--i.e., continuation of a food production rate of 2.6 percent and a population increase rate of 2.5 percent, with consumption rates of 5 percent and a 12 percent rate of importation--the food situation in Egypt will be as follows: The rate of self-sufficiency in wheat will become only 20 percent; the gap in rice will reach 240,000 tons (Egypt used to export rice); the gap in corn will reach 1.9 million tons; the gap in oils will reach 517,000 tons; and the gap in sugar will reach 1 million tons. The rate of self-sufficiency in grains generally will not exceed 45 percent, in oils 19 percent, and in sugar 40 percent.

The author of the study says that although some people are calling for a change in the current crop rotation to increase the area planted in grains, the rotation in regard to grains does not need essential adjustments, since the area planted in grains is great.

Self-Sufficiency Is Impossible

The study says that some people believe there can be food self-sufficiency in Egypt and think the matter is easy and feasible. However, the facts prove the contrary, so long as there is a race between population increase and food production, with population increase winning. This is because it is not realistic for food production to keep up with the rate of population increase; indeed, it is impossible both now and in the future, because the agricultural area is limited and is controlled by current reliable and confirmed water resources. The studies of all the specialists have proven beyond the shadow of the doubt that the area that could be added from now until the year 2000 to the current area of 5.9 million feddans does not exceed 1.58 million feddans. The technical problems must be taken into consideration. Among these is the fact that reclaimed land does not become productive quickly and that years pass until it reaches an adequate and economical production rate. At the same time, large areas of fertile and productive agricultural land are lost every year to urbanization. An average of 75,000 feddans was lost every year.

Egypt and the Other Countries

The study assumes that per capita food consumption will remain constant, even though the Egyptian citizen's consumption of the principal foods is less than consumption rates in the developed countries. It is thus self-evident that the food consumption rate will increase, even if there are restrictions and guidance. The researcher says that there is a group of important studies of the size of the food gap in Egypt, this being the last of them. These studies were prepared by the Central Agency for Mobilization and Statistics, and also by the research departments of the Ministries of Agriculture and Food Supply and by the Specialized National Councils.

These reports show a decrease in the per capita share of all foods in Egypt, with the exception of grains. It becomes clear that consumption of these is high and is matched by a strong deficiency in consumption of meat, dairy products, eggs, oil, and sugar, which makes the overall total lower than that of the rest of the countries appearing in the statistics.

15 Million Feddans Needed

Total agricultural land area in Egypt in 1985 was 11 million feddans. If Egypt wants to achieve self-sufficiency, it needs 26.7 million feddans, i.e., an approximately twofold increase, and that is on the basis of current consumption rates without any increase. Such an increase in area will require supplying 73 billion cubic meters of irrigation water. Currently, 30.5 billion cubic meters are available from all sources, according to exact scientific calculations, if the yield of the Nile and other sources is normal and does not become subject to unforeseen geographical factors.

[Table, p. 33]

Comparison of Per Capita Consumption in Kilograms Per Year

[Product]	Egyptian	American	British	French
Grains	253	91	94	105
Sugar	30	60	44	22
Oils	16	27	25	29
Meat and Poultry	15	114	75	100
Fish	5	16	16	24
Dairy products	21	169	166	126
Eggs	1.8	16	13	15

12937/12955
CSO: 4504/224

FOUNDERS OF NEW TV NEWS AGENCY INTERVIEWED

London AL-MAJALLAH in Arabic 29 Apr-5 May 87 pp 55-56

[Interview with Muhammad and Nadir Jawhar, founders of Cairo Television News Agency: "Middle East Events Through Arab Eyes"; Cairo, name of interviewer and date not given]

[Text] The television screen has become the principal source of news in all parts of the world, especially in the United States and Europe, where television stations devote a large amount of time to illustrated news programs and to live reports that take the viewer to the scene of the event, wherever it may be. This fact has led to the appearance of television news agencies, which have continually gorwn in resources and in the number of their correspondents in various parts of the world, until today they have come to occupy huge information "empires" that greatly influence the formation and direction of public opinion, especially following the tremendous development that has occurred in the technology of satellites and space communications.

The fact of the Western monopoly in the communications industry and opinion control has confirmed itself in this field also. Of the four international television news "empires," three are American (NBC, CBC [as in source], ABC), and one is European (Visnews).

This fact motivated two Egyptians brothers, Muhammad and Nadir Jawhar, to establish the first Arab television news agency 7 years ago. It bears the name "Cairo" and has correspondents in New York, Bonn, Paris, and London, although its work is basically directed toward covering Middle East events for the benefit of a number of international television networks.

When AL-MAJALLAH asked Muhammad Jawhar about the motive that led them to establish this agency, he said:

"The Middle East is one of the world's most inflamed regions and is rich in events that draw foreign attention to follow and present them. It was therefore our idea to present our problems and events through Arab eyes and with a realistic view, not through foreign eyes remote from Arab reality. We have in fact covered most of the events that have taken place in Egypt and in the Arab states: the Gulf war between Iraq and Iran, the pilgrimage delegations, the famine in the Sudan and Africa, the National Day celebrations

in Oman, the installation of Sultan Qabus, the Israeli attack on PLO headquarters in Tunisia, and other Arab events that have had world impact and influence and in which all television stations in the outside world have been interested."

[Question] But how does work proceed in a television news agency? How does news reach the viewer instantly?

The other brother, Nadir Jawhar, answers these two questions:

[Answer] We have news sources in most of the Arab countries, such as Iraq, Tunisia, Syria, Morocco, Algeria, Sudan, Bahrain, Oman, Jordan, and Saudi Arabia. When some incident or particular event occurs that we think concerns the world or whose importance we feel with our journalistic sense, we immediately assemble an operations group to follow the item and the latest reports, either by means of the tickers or through contacts and sources. Filming teams are immediately dispatched to go and cover the story. However, some events can be prepared for in advance, such as visits by kings, presidents, and prime ministers. For example, we carried the meeting of Mubarak and Peres at Ra's al-Tin Palace directly on the air from the moment the two arrived. We also carried all the other receptions and his movements in Cairo, and these were transmitted to all the American television stations through us.

Generally, world television stations ask for the material that has been filmed. In most cases, they purchase it before it has been filmed, because there is always competition in coverage between the foreign stations. However, very important news is broadcast directly by satellite as soon as it takes place. The camera is linked to the microwave (a wireless television sound signal transmitter), and the microwave is linked to a ground station that broadcasts by satellite, after which [the signal] is carried to other television stations in various countries. These receive it and broadcast it immediately to viewers.

[Question] What are the most important jobs your agency has done?

Nadir Jawhar answers:

[Answer] Last year, we were able to present for Italian television the first television coverage of the incident of the Italian ship Achille Lauro. We also had the first pictures of the American TWA airliner that was hijacked in Beirut. Recently, we organized the first camel race in Egypt for American television. It lasted 2 hours and was broadcast direct to a television station in Texas. This race realized the largest television program viewer ratio since the landing of the first man on the surface of the moon. Viewers in Texas were able to direct questions by telephone to the competitors on the camels and could instantly hear their answers by telephone.

[Question] What about the problems that confront a newborn experiment in the Arab world?

Muhammad Jawhar says:

[Answer] There are two problems. The first is that the Arab television stations unfortunately still prefer to obtain news service from the international agencies. The second is that the relevant authorities in most of the Arab states give better journalistic facilitation to foreign journalists, which results in a situation of unequal competition between us and the foreign agencies.

[Question] What can an Arab television news agency offer that is new? Does its existence have importance?

AL-MAJALLAH directed this question to Dr Maji al-Halwani, professor of information at Cairo University. She said:

[Answer] There is no doubt that we are in the most pressing need for Arab events to be carried through Arab eyes, so that they are not subjected to intentional or unintentional distortion. If the new world information system calls for there to be an information and news flow in two directions between the advanced countries and the developing countries, so that the developing countries have an opportunity to present their news, this, in actuality, will not come to pass unless there are information organizations that assume this role. It is illogical for us to expect the Western agencies to give our news the same amount of interest they give to their news. Thus, the existence of a television news agency belonging to our world is a good step in the right direction.

[Question] Dr Muna al-Hadidi, professor in the Department of Radio and Television, Cairo University, says:

[Answer] The time has come for there to be a tangible Arab presence in the field of television information, because it it unreasonable for us to continue in a situation of passive reception of news material from abroad. Neither is it reasonable for others to come to cover our events and for our news publications to rely on such coverage. The existence of an Arab organization that undertakes the task of television coverage of events in the region is an important requirement and will lead to more objectivity in treatment.

[AL-MAJALLAH] Dr Muna [al-Hadidi] finds it surprising that this news agency has correspondents in Paris and New York, but does not have correspondents in the various Arab capitals. She stresses the need for those in charge of this agency not to forget the importance of making their activity pan-Arab, and not limiting it to one Arab country.

12937/12955
CSO: 4504/224

FADLALLAH DISCUSSES HOSTAGES, SECURITY PLAN, CAMPS WAR

Beirut AL-HAWADITH IN Arabic 27 Mar 87 pp 22-23

[Interview with Hizballah leader Muhammad Husayn Fadlallah by Sharbil Zughayb: "Muhammad Husayn Fadlallah to AL-HAWADITH: Hostages Issue Will Not Be Solved Militarily; Southern Suburb Is Red Political Line; Islamic Condition Is Stronger in West Beirut Than It Is in Suburb"]

[Text] Every time one holds a dialogue with His Eminence Scholar Muhammad Husayn Fadlallah one encounters new concepts and ideas that help one understand the features of the stances that contribute to defining the features of numerous issues, as in the case of the issue of the Western hostages held in Lebanon. This issue has returned to the forefront in the wake of the death sentence issued by the Revolutionary Justice Organization against Normandin, a French hostage. Scholar Fadlallah has appealed to the kidnappers not to carry out this sentence and asserted that this issue cannot be solved by military operations and violence but by calm diplomatic contacts.

Regarding the southern suburb, Hizballah's spiritual leader expressed the belief that this surburb stands in the face of East Beirut and Mount Lebanon and is subjected to the balances in operation in this country.

At his headquarters in Harat Hurayk, AL-HAWADITH conducted the following interview with Shaykh Fadlallah:

[Question] The death sentence issued against French hostage Normandin has begun to assume political and humanitarian dimensions and may later assume military dimensions. You are one of the people who intervened to stop the execution of the death sentence. How long will you be able to put pressure to prevent execution of the sentence, and will the Revolutionary Organization actually carry out this sentence?

[Answer] The role I played has been confined to addressing a humanitarian appeal on the issue of the kidnapped foreigners and Lebanese generally, including the urgent case of this particular individual. I have tried to raise the issue in a popular way so as to create a psychological situation whereby pressure is put on the kidnappers through a general public climate. Considering that in the case of Normandin the personalities and identities of the kidnappers are not clear, I have not contacted them directly to put

pressure on them. But I have tried to find more than one means of pressure in the public arena in this case. Out of my Islamic and humanitarian responsibility which emanates from my rejection of the principle of kidnapping to start with, I will exert my utmost efforts and resources to reach a happy ending to this issue.

Despite the climate created and spread by this issue, we wish to reaffirm a fact we have long reiterated, namely that these issues must be solved realistically in calm diplomatic ways and far from the limelight.

[Question] But contacts were made with you in the past and did not succeed.

[Answer] I am not the person qualified to speak on nor am I directly concerned with the problem. I am one of those who move in the arena of influence. When I move, I do so within this arena only. When I made the quiet diplomatic contacts, I talked about the climate of which both the kidnappers and the kidnapped are aware. I will add nothing to this.

[Question] Your eminence, one of the things being said in Normandin's case is that if the death sentence is carried out, Iranian-Syrian relations will enter an extremely negative phase. What is meant by this statement?

[Answer] The statement can be explained by those who made it. I am not concerned with explaining it. I believe that strategically, Iranian-Syrian relations are, even if only in the current phase, stronger than to be influenced by any incidents that fall within the framework of isolated political incidents.

[Question] In a past statement relying on information received from Hizballah and others, Abu Iyad said that the hostage issue will not be settled before 1989. What is your opinion on this statement and why did he set this date?

[Answer] I do not have at my disposal the facts about which the man talked in order that I may offer a precise definition on this issue and I don't know the extent of this statement. I have gathered information on the political direction in which the hostage issue is moving so that the issue may be exploited in more than one regional or international struggle spot.

[Question] Can the hostages issue be settled peacefully or will it take on a military dimension?

[Answer] Through a comprehensive study of the political situation, I do not find that there is a military climate. All the parties moving in this direction of settling the issue are trying to exploit the issue in one way or another. The hostage issue is a card played by all, be they those who raise the issue politically or those who confront it with reactions. I wish to stress that there is international political hypocrisy on this issue.

[Question] Which means that it will not be settled soon?

[Answer] When we put this issue in the political frame in which it is sought to serve more than one scheme, then it becomes very difficult to talk about it just for the sake of public consumption, as we are doing now.

[Question] Is it true that some Western hostages were killed in al-Bastah incident, as some media previously said?

[Answer] The names and identities of those killed in al-Bastah are well known and there have been no reports of any foreigners among them.

[Question] Have the consequences of this incident ended or are they likely to erupt later?

[Answer] If we study the strategic relations between the Israelis and the Americans and between the Muslim fundamentalists and the Syrian strategy on these two issues, then I believe that the incident has ended and that fundamental relations continue to govern the movement of the situation.

[Question] There is the riddle of Terry Waite. How can this riddle be solved?

[Answer] I have no details on this issue. I have tried hard to settle the issue in the wake of two messages I exchanged with the bishop of Canterbury. The messages have saddled me with a special responsibility, in addition to my public responsibility, to expose the secrets of this issue. My conclusion is that this issue is one of the cards used in the context of mutual efforts regarding Terry Waite's disappearance.

[Question] But Minister Walid Junblatt accuses Hizballah of kidnapping Terry Waite. In your opinion, is this true?

[Answer] The problem is that when dealing with such issues, Walid Junblatt talks about them in different ways. I have read a statement he made saying that Waite is being held by Hizballah. When the press published this statement, Junblatt denied it. Therefore, the issue is not clear to him, so how can the accusation be true?

[Question] Numerous interpretations have been given to the Syrian entry into West Beirut, including the possibility of freeing the hostages, striking the terrorism emanating from Beirut, and ending the camps war. Are these interpretations correct?

[Answer] I believe that these interpretations may be wishes, plans offered Syria in this connection, or trial balloons to test reactions. We don't believe that the size of the Syrian entry is such that it will achieve all these objectives at once because these issues are connected with more than one Arab and international axis. This causes such affairs to move in the political arena rather than in the security arena. The latter is perhaps the narrowest arena in which to contain these problems. We understand that the security plan is intended to end the fighting. As for what happens later, the political climate created by security and by the political canopy

covering this security will be the political ground on which this security is established and which, in turn, can determine numerous issues and provide numerous future aspirations.

[Question] Through secret contacts held between some leaders of the Islamic arena in Lebanon and some Syrian officials, some propose that Hizballah's cadres and fighters be moved, along with all their weapons, to the south in return for including the southern suburb in the Beirut security plan. In your opinion, is this proposal in its place?

[Answer] I don't believe that there are talks on this issue. But the case in hand is not that of an Islamic arena carrying arms to pressure the citizens, to undermine their security, or to engage in mini-wars. The arena's history confirms this, even though cases of kidnapping and similar acts are attributed to it. By carrying the arms, this arena seeks to confront the challenges created by the Lebanese war at the level of the struggle which exists between the various Lebanese political positions and which may spill over to the Israeli arena and to other arenas that wish to defend certain privileges, and so forth. The Islamic arena is also carrying the arms to confront the direct Israeli occupation of Lebanon. Confronting the Israeli scheme takes place within a strategic circle achieved at a popular level and not the level of regimes in the Arab and Islamic worlds. I don't think that such an objective can be achieved by moving all the weapons and all the armed elements to the south because Israel is not a state that can be fought from a single position or in a single position. With the weapons at its disposal, Israel can besiege the strugglers in a certain part of the south and can besiege the weapon stores, with nothing to prevent it from doing so. But there may be red lines or international obstacles that prevent Israel from striking a certain area or besieging another area. This makes it mandatory for the strugglers to diversify their weapon stores and to turn every area into a human reservoir for their struggle. Israel is not an ordinary case insofar as challenges are concerned. Therefore, it must be confronted with an extraordinary position.

On this issue, I would like to stress that those who wager on the security of greater Beirut in isolation from the negative and positive pressures of the Israeli scheme are not wagering on a winning game because the Lebanese problem is not the problem of simple security that may provide the Lebanese with a relaxed situation. Lebanese security is a complex problem of security encompassing regional security and international security and carrying in one of its corners the local security which offers a little novelty, exactly as children are given candy to keep them away from big issues.

[Question] Minister Nabih Birri believes that there are no red lines in the face of the Syrian army in Lebanon whereas you consider the southern suburb to be a red line in the face of the security plan.

[Answer] The fact is that the talk by the Islamic arena about a red line is not talk representing the manner in which the issue raised should be managed. This issue is clear in nature. We are realistic in our appraisal of the issue of including the suburb in the security plan when we not that the suburb contains the camps which may create more than one political problem which will have to be solved outside Lebanon. Moreover, the security issue is complicated by the militia situation and by the Lebanese internal situation. We can set the surburb against East Beirut and against Mount Lebanon. This makes the political balances dictate a certain position for the surburb in this circle.

We also believe that raising the hostage issue in the manner stirred by the media makes entry into the suburb a dilemma which does not exist if there is no such entry. These points represent political red lines in the general political climate.

As for the security red lines, I don't believe that they should be expressed in this manner. All there is to the matter is that the suburb is in a situation which makes it, as it makes a part of Beirut, a human and weapon reservoir for fighting Israel. If there is coordination on this issue, and it is not essential that it be declared coordination because circumstances do not permit declaring such things, then there will be no problem in the issue of the suburb. I don't believe that the Islamic condition is stronger in the suburb than it is in Beirut. Perhaps it is stronger in Beirut than it is in the suburb and perhaps it continues to be strong in every sense of the word. I don't believe that this issue can be positively or negatively tackled with this approach which is intended for public consumption. It must be tackled in a careful, alert, and rational manner which is lacking in the public consumption-oriented climate prevalent among many people.

[Question] Regarding the camps war, will this war be ended as a result of the regional political contacts or is it likely to erupt anew for regional reasons?

[Answer] At present, there seems to be a tug-of-war between the direction that seeks to keep this war alive, even if through minor daily incidents, and the direction that calls for freezing this war through political contacts. I believe that this tug-of-war can be settled only under certain conditions and at a political cost in the inter-Palestinian and Arab-Palestinian struggle arena, and perhaps in the international view of the struggle. Even if the contacts succeed in achieving a certain result in this area, such a result will not go beyond the security framework by deactivating the camps issue, keeping it alive on a slow fire which keeps it warm but does not inflame the atmosphere whereas all need the Palestinian problem to be solved on a strong fire. Any kitchen can solve this problem better than the Lebanese kitchen which includes these camps. This is why we say to all the Lebanese that they must not be content with this cooled atmosphere and these cool arenas because spring comes, storing in its folds the heat of the summer or even more.

[Question] Your eminence, my final question is beyond the framework of the entire conversation and pertains to the next presidential campaign which some people have already launched. Do you expect early presidential elections and, consequently, the election of a candidate for a regional and international settlement or the candidate of a certain faction?

[Answer] I believe that Lebanon is an international equation and that an international decision is what determines its major and decisive positions. But this decision may come with the approval of all concerned or may come by silencing those who do not approve it, thus forcing them to approve it negatively if they do not approve it positively. All the talk about internal arrangements for any of the major positions in Lebanon is tantamount to child's play because those who make the decision are not inside Lebanon.

8494/9835
CSO: 4404/303

AL-MUDARRIS APPRAISES COMMERCIAL RELATIONS WITH BRITAIN

London AL-MAJALLAH in Arabic 25-31 Mar 87 pp 38-39

[Interview with 'Abd-al-Karim al-Mudarris, executive secretary general of the Arab-British Chamber of Commerce: "Al-Mudarris: Balance Is Still in Favor of Britain and EEC Countries Must Open Their Doors to Saudi Petrochemicals"]

[Text] In an interview with AL-MAJALLAH, 'Abd-al-Karim al-Mudarris, executive secretary general of the Arab-British Chamber of Commerce, discussed a number of issues, the most important of which is the visit being paid by Fahd ibn 'Abd-al-'Aziz, the custodian of the two holy mosques and the king of Saudi Arabia, and its expected impact on the Saudi-British relations in particular and on the Arab-European relations in general. Al-Mudarris also dealt with the issue of Saudi petrochemical exports to the EEC countries, with the policy of setting up joint projects in the kingdom and with the idea of holding an Arab fair in London. Following is the interview with al-Mudarris:

[Question] What is your appraisal of King Fahd ibn 'Abd-al-'Aziz's visit to the United Kingdom and its impact on the relations between the two countries and on the Arab-Eruopean relations in general?

[Answer] This sublime royal visit harbors a lot within its folds, first, by virtue of the good and growing relations between the Kingdom of Saudi Arabia and the United Kingdom and because of the high status King Fahd, the custodian of the two holy mosques, enjoys at the Arab, Islamic, and international levels. Therefore, it is hoped that this visit will be crowned with complete success, God willing, and that it will establish a clear and frank line for the nature of the Saudi-British relations in the next decade and for the course of Arab-British and Arab-European relations generally.

[Question] How do you view the development of trade exchanges between Britain and the Kingdom of Saudi Arabia and what, in your assessment, are the most important issues that may be raised within this framework?

[Answer] If we consider the situation of Saudi Arabia and of the area as a whole, and if we consider the slowdown in economic activity resulting from the drop in energy prices, we might expect this slowdown to be reflected in

a drop in the trade volume between the two countries. But what we find is that the wise and farsighted policy of the kingdom's leadership has contributed to a large degree in perpetuating trade activity with the outside world. Rather, what is really interesting is that trade between the Kingdom of Saudi Arabia and Britain has continued its rapid development, as demonstrated by the two countries' foreign trade statistics. These statistics show that trade volume between the two countries rose from nearly 1.74 billion pounds sterling in 1985 to nearly 1.94 billion pounds sterling in 1984, i.e., an increase of nearly 11.5 percent. But it is noticed at the same time that the trade balance between the two countries continues to favor the United Kingdom which in 1986 exported to Saudi Arabia goods valued at 1.5 billion pounds compared to imports valued at nearly 435 million pounds from Saudi Arabia. In fact, we notice that the value of Saudi imports from Britain rose nearly 1,256 million pounds in 1985 to nearly 1.5 billion pounds in 1986 as a result of the kingdom's adherence to the established development plans and to maintaining the government spending rates at levels that do not affect the economic cycle. This was done despite the sharp drop in oil revenues in that year. On the other hand, we notice that Saudi Arabia's exports to Britain dropped from nearly 483 million pounds in 1985 to about 436 million pounds in 1986. This drop reflects clearly the drop in the value of Saudi oil exports as a result of the drop in prices in comparison with 1985, keeping in mind that the volume of exports was not affected and may even have increased considerably in 1986.

Saudi Warning

Al-Mudarris added: "The fact is that the presence of a surplus in favor of Britain in the British-Saudi trade balance and the growth of this surplus recently have alerted the kingdom to the need to adopt a number of measures to deal with this situation. This is now being done at two levels. On the one hand, enormous efforts are being made to build the country's production base with the purpose of dispensing with the importation of an ever-increasing number of essential consumer goods and to generate an export capacity. On the other hand, an effort is made to develop the production of oil derivatives and petrochemicals designated for export to all the world's markets. This effort is attested to by the gigantic industrial projects and by the vast investments made in two cities of al-Jubayl and Yanbu'. These projects have become capable of producing a considerable percentage of the world's petrochemical needs at competitive prices and of an excellent quality. Regrettably, it seems that some European countries have succumbed to the pressures of certain private interests in European petrochemical industry circles and have, consequently, agreed to impost protectionist fees on Saudi exports, thus violating the principle of free trade, which is supposed to guide all their policies. It is certain that this situation cannot continue. King Fahd has recently given clear signals that the Kingdom of Saudi Arabia may reconsider the volume of its imports from the European countries generally if the latter fail to open their markets to Saudi products the way Saudi Arabia opens its markets to internationl products without any barrier out of its belief in the principle of free trade and of competition in international economic relations."

Petrochemicals Issue

[Question] But what is the position of the British authorities themselves on Saudi petrochemical exports to the EEC? Does the Arab-British Chamber have an opinion in this area?

[Answer] I will begin by answering the second part concerning us as a joint chamber and I hasten to say that the chamber not only had an opinion but also had a clear position. At the end of 1985, I called for a meeting of the general secretaries of the Arab-European chambers of commerce to discuss this issue and to formulate a plan to move the joint chambers to exert pressure on the European governments concerned and to warn them of the ramifications of any illegal protectionist measures against Arab petrochemicals on Arab-European trade. As for Britain's position on this issue, we have enough information and indicators to show that the British authorities understand the situation, especially since the principle of free trade and competition is one of the main principles to which the British government has declared its adherence on several occasions. The United Kingdom's understanding of the situation emerged during the visit recently made to Saudi Arabia by Paul Channon, the British secretary of trade and industry, who declared in Saudi Arabia itself that the British government supports the Saudi position and opposes imposing any protectionist fees or customs restructions on Saudi Arabia's petrochemical exports. But in our opinion, this positive stance must be embodied in an official British position within the framework of the EEC Economic Commission. We must remind [the EEC] that the Kingdom of Saudi Arabia has always abided by the rules of the game and that it exports petrochemicals to all parts of the world at competitive prices not because of the presence of a government subsidy for export prices nor because of the adoption of an inundation policy but simply because the Saudi industry is more advanced and more efficient than many backward European petrochemical industries. This is what was recently acknowledged by one of the leaders of this industry when he said that Saudi Arabia has applied tomorrow's technology and has been a forerunner in embracing a futuristic viewpoint in this particular field of technology. We are also reminded that the kingdom's export capacity does not exceed 5 percent of the world production and under no circumstances poses a threat to existing industries.

Arab-European Dialogue

[Question] What point has the dialogue between the joint Arab-European chambers and the EEC countries reached? Have you been able to develop a formula for coordination among the chambers in the area of bolstering Arab exports to the EEC countries?

[Answer] First, there is coordination between us as joint chambers. We launched our dialogue with the EEC at the 1983 Brussels symposium in which the Arab League and the General Federation of Arab Chambers of Commerce, Industry, and Agriculture participated, in addition to representatives of the EEC and of the joint chambers. The symposium's topic of discussion was focussed not only on the petrochemicals issue but also on the Arab Maghreb countries' exports to the EEC--exports which will be affected severely by Spain's and Portugal's accession to the European Community. The contacts

were continued until a meeting was held last November between EEC representatives and a delegation comprising the chairmen and secretaries general of the joint chambers. Agreement was reached, in the presence of the secretary general of the Arab Chambers, to form working committees to examine the various urgent issues, and to continue the discussions after the committees have completed their work and drawn up their recommendations.

[Question] Are you satisfied with the degree of the British companies, participation in joint projects in the Kingdom of Saudi Arabia or elsewhere, and does the chamber have a role in encouraging the foundation of such projects?

[Answer] We believe that the next decade is the decade of joint projects and we work accordingly. The time has gone when the Arab countries were treated just as a market for the exportation of various consumer goods. Today, there are in the Arab world from the Gulf to the ocean ambitious development plans, which are in turn a continuation of development plans whose implementation started in the 1970's or even earlier. This process has led to creating productive national economies, to completing the infrastructures, and to developing expertise and skills to the degree where the Arab world now has all the financial and human prerequisites of industrial, agricultural, and technological development. The fact is that from now on, many will pose to ponder the industrial countries' goodwill and the degree of their actual sincerity in establishing a real partnership and in operating on the basis of mutual interests and of give-and-take, not just take. As for the British companies' position, I believe that these companies are fundamentally involved in numerous joint projects in the kingdom. Ultimately, what is important is that we present well-studied projects and incentives to these companies. It must be noted here in this regard that the wise policy of the kingdom's leadership is to tie the awarding of contracts for major projects to the awarded companies' reinvestment of some of their profits from such contracts in joint projects that aim at the transfer of technology. This policy now provides the main basis for the foundation of such projects.

[Question] Does the chamber plant to hold an Arab fair in London to used as a means for familiarization with Arab products and with Arab and Islamic culture?

[Answer] Yes, there is an idea, even a plan, to hold such a fair. But such a project is very costly. Its feasibility must be studied carefully and cooperation must be secured with the other joint chambers and with the national chambers to guarantee its success. The truth is that the amazing success achieved by the "Fair of Saudi Arabia Between Yesterday and Today" encourages us further to study the idea and to try to develop a complete project that can be implemented in the near future.

8494/9835
CSO: 4404/295

INDUSTRY MINISTER CALLS FOR FREE TRADE AMONG COUNTRIES

London AL-DUSTUR in Arabic 13 Apr 87 p 35

[Article: "The Difficulty In Marketing Gulf Products Negates the Principle Of 'Free Trade'"]

[Text] Saudi Minister of Industry and Electricity Engr 'Abd-al-'Aziz 'Abdallah al-Zamil was a member of the negotiating team which accompanied Saudi King Fahd bin 'Abd-al-'Aziz on his recent official visit to Britain. Al-Zamil is one of those Saudi industrialists who have helped build up Saudi industry from the very start. He held various positions before becoming president of the Saudi Basic Industries Corporation (SABIC), which brought Saudi Arabia into the petrochemicals age. At the seminar held late last month by the Arab Studies Center to discuss "the Status and Future of Saudi Industry," al-Zamil spoke about the progress and goals of Saudi industry.

The Saudi minister of industry and electricity began his talk by listing the phases through which Saudi industry has passed.

"The first phase began in the early Fifties and lasted approximately until 1965. This period saw the first emergence of factories.

"The second phase, which lasted from 1965 to 1975, was a period characterized by rapid growth. The number of factories jumped to about 700 plants producing traditional products which gradually began to take the place of imports.

"The third phase lasted from 1975 to 1985. This period was characterized by a tremendous rise in growth rates, with the establishment of oil refineries and petrochemical industries.

"The fourth period began in 1985, and will last until the early Nineties. Even though we are just at the beginning of this phase, the number of producing factories has jumped to about 2,000 plants, total investments in which amount to about 60 billion Saudi riyals (10 billion pounds Sterling). These factories' sales revenues amount to about 54 billion riyals (9 billion pounds), and include revenues from petroleum refining, petrochemicals, and other traditional industries. There have been serious studies and plans for developing these industries so as to restructure them, assist them technologically and technically, and merge smaller, similar units into larger, more competitive units.

"The fifth phase will begin, God willing, in the early Nineties, at which time the industrial sector will attain its desired goal of contributing 15 percent of the gross national product as compared to its present contribution of 10 percent."

The Saudi minister then went on to speak of the goals of Saudi industry. As he pointed out, "The Kingdom of Saudi Arabia considers industry, along with agricultural development, commercial and financial activities, and the exploitation of its God-given mineral resources, a basic starting point for diversifying its sources of national revenue. Once industrial development reaches its goal (providing 15 percent of the gross national product), this means that the added value will at that time amount to about US$1,000 per capita. Comparing this figure to other countries, we find it to be $550 in South Korea, $1,300 in Spain, and $2,000 in the United States. This reflects the ambition and aspirations of our national industries. Saudi industry enjoys unlimited care and encouragement from that government which is also the servant of the two Holy Places, and preference is always given to those competing industries which supplement the framework of industrialization. A new generation of national industries has emerged which has been able to gain the trust of the local consumer and compete in the export market with other products from the standpoint of quality and specifications. The private sector is playing a growing role, with the state providing care and concern, pointing out investment opportunities, and giving the investors complete freedom to choose the fields which are right for them."

Al-Zamil pointed out that several main issues have been taken into consideration by the Kingdom's industrialization programs and plans, such as methods of protectionism, the transfer of the latest technologies and industrial methods, the development of industrial innovation, joint Arab work, and trade balance between the Kingdom and its commercial partners. He said that the Kingdom has embraced the principle of "free trade" and is doing everything it can to support and strengthen free trade, the main proof being its customs tarriffs and the favorable treatment with which its open markets receive other countries' imports. On the other hand, the Kingdom feels that customs and non-customs restrictions hindering Gulf petrochemical exports from reaching foreign markets, especially European Common Market states, are of no mutual trade benefit, are completely incompatible with the principle of free trade, and cut off fair competition.

Engr 'Abdallah al-Zamil raised the following question: "Since Saudi imports from European Common Market states amounted to 24 billion riyals (4 billion pounds) in 1986, or 37 percent of total imports, does it make sense to close off the British market to Saudi industrial exports?"

Furthermore, the Kingdom counterbalances its encouragement and support for free trade with another measure--a serious appeal that its commercial partners be industrial partners as well. Thus foreign capitalists would be provided suitable investment opportunities and a fertile industrial climate. The nation's industrialization plans look to "joint projects" as a means of transferring technology to Saudi Arabia and training a national industrial generation capable of taking over this technology and applying it. To date, factories worth about 20 billion riyals (5 billion pounds) have been established with joint capital.

Arab Economic Integration

With reference to Arab economic integration, the Saudi minister stressed that the Kingdom is pursuing policies in support of it, and at present there are more than 250 joint Gulf commercial and industrial projects. In Saudi Arabia, several organizations embodying the idea of joint Arab action are being set up, such as the Arab Industrialization Corporation, the Saudi Industrial Services Company, the Saudi Pharmaceutical Industry Company, and other companies embodying the spirit of cooperation.

He added, "The Kingdom holds a special position in international trade, first as a source of oil, and then as a source of petrochemicals and other industrial products which increase in number year after year as the industrial sector grows. Right now they no doubt suffer from the protectionist policies applied by some countries against Saudi products. Since the Kingdom treats other countries' imports into its markets favorably, then other countries ought to treat Saudi exports the same way, for the benefit of both sides instead of just one side, and to support free trade in general."

8559
CSO: 4404/328

MDS MEMBER DISCUSSES POLITICAL, ECONOMIC CRISIS

London AL-MAJALLAH in Arabic 18-24 Mar 87 pp 28-29, 31

[Interview with Khamis Chamari, member of Movement of Socialist Democrats Political Bureau: "Khamis Chamari: We Are for Peaceful Change and Against Use of Violence"]

[Text] Because Tunisia's economic crisis is truly threatening the country, because it is a crisis which Tunisians are determined to overcome and because the solutions to the crisis do not concern just the present but go beyond to the future of Tunisia and its people, this crisis has become a crisis of political axes. The government, represented in Prime Minister Rached Sfar and Planning and Finance Minister Ismail Khelil, has launched an economic reform program founded on the policy of austerity, on increased industrial, agricultural, and trade productivity, and on help from international loans and investments. The Movement of Socialist Democrats, led by Ahmed Mestiri and considered the side opposed to the government, presented upon the inauguration of its second congress on 28 December an alternate plan consisting of 16 points, dealing with the causes of the crisis, delving into figures and rates, and proposing political, social, and economic solutions.

How does the strongest opposition party view Tunisia's problems? What are this party's solutions and how does it tackle the economic crisis?

AL-MAJALLAH posed these questions to Khamis Chamari, the movement's Political Bureau member and the official in charge of its social and economic studies, in his capacity as one of those who contributed to formulating the alternative plan.

In edition No 369 of 4 March 1987, AL-MAJALLAH interviewed Tunisian Information Minister Abderrazzak Kefi on conditions in Tunisia.

[Question] The Tunisian opposition has always been faulted for being an opposition for the sake of opposition and an opposition that does not offer alternatives or solutions to Tunisia's problems, be they social, economic, or otherwise. As an opposition party,. what are your alternatives to the crisis being currently experienced by Tunisia, especially since you have numerous criticisms of the reform program whose implementation has begun? What, in your opinion, are the causes of this crisis? Is it a political crisis that has affected the economic situation, or is it an economic crisis? What are your economic projections?

[Answer] It is normal that when some of our Third World regimes, especially the regimes relying on the single-party system, find themselves facing underground, legal or semi-legal, they resort to the allegation focusing on the oppositions's inability to offer constructive alternatives and solutions and accuse this opposition of being negative. This is my first observation. Such a projection can only lead us to futile debate. For example, when in the days of the former prime minister the regime presented, by a decree of the head of the stated, a proposal on a new parties law, our response as an opposition movement was to reject the proposed law. But the movement did offer a complete alternative to all the proposals, including a proposal on how to deal with and finance the parties. Our plan was published only by AL-RA'Y, an independent newspaper sympathetic to the Socialist Democratic current, because AL-MUSTAQBAL, the movement's mouthpiece, was suspended then as it is suspended now. When the official press columns discussed the issue of expanding the Consultative Economic Council to include the opposition, even though the news was published in the press before we were notified of it officially, Ahmed Mestiri, the Movement of Socialist Democrats secretary general, expressed his opinion on the issue, saying: "We bless such a step but we want to know the conditions." In fact, telephone contacts were made with some government officials (and it is my opinion that this is not a sound approach). Three weeks ago, we received an official letter from Prime Minister Sfar in the name of the head of the state informing us that there will be no change in the structure or function of the Consultative Socioeconomic Council but that 20 more members will be appointed to the council by virture of their political or scientific status and that these 20 members will include 2 members from each party, provided that each party nominate 5 members from which the head of state will choose 2 members. We found this offer to be unreasonable and we wrote to the prime minister, offering a complete plan consisting of 15 articles and containing a detailed visualization on the role, structure, and influence of the Socioeconomic Council and on how it should be managed. Here is the council now meeting without the opposition's participation. It is true that we have failed to engage in a careful daily followup on the economic and social situation. This is because, first, our capabilities to voice our

opinions are very limited and, second, because it is very difficult to obtain the documents on which we can build serious proposals or criticisms. We often get the documents when they are distributed in public symposiums or from journalists.

Chamari added: "At the party's latest congress, held last December, we tried to overcome the failure on this issue, especially since the profound economic crisis, which forced the government to acknowledge its existence, urged numerous university and administrative circles to release their information to foreign journalists and observers. These new given facts created better conditions for us and we were able to confirm our figures and proposals through official documents. We entered the congress with a document containing the outcome of the regime's economic and social policy and the alternative which we, as the Movement of Socialist Democrats, propose.

Official Wish

[Question] What is your interpretation of the government's wish to include some of the opposition parties in the Consultative Socioeconomic Council? Is it or is it not to release the pressure developing in Tunisian society?

[Answer] There is a definite desire to embark on initiatives that may be considered tantamount to acts to release the pressure in the current situation. But we are not children and we are aware that maneuvering is one of the bases of politics. This is why we focused on climate in our message to the prime minister and why we said that this proposal will be ineffective and futile unless certain conditions are present in the political climate. The first of these conditions is to make it posible for the acknowledged parties to exercise their constitutional and legal right to organization and self-expression. The second condition is to permit expression of opinion in the press. AL-MUSTAQBAL, the party organ, has been suspended and convicted and its chief editor has been tried. The reason is the same issue raised by ECONOMIC JEUNE AFRIQUE, namely the issue of the trial of Engineer Moncef Tharaya. When comparing JEUNE AFRIQUE's article with AL-MUSTAQBAL's article, we find that the first is harsher than the second.

[Question] I raised this question with Information Minister Abderrazzak Kefi and his response was that the suspended newspapers are papers which violated the press and publication law. What is your answer to this?

[Answer] Insofar as the information officials are concerned, we say that they are in an embarrassing position now. In the past 2 years, they have set a record in confiscating and suspending newspapers. No less than six newspapers have been finally

suspended. As for confiscation of the domestic press, there have been 30 such cases. Regarding the foreign press, there have been nearly 50 cases of confiscation. Second, let us talk about the press law. The current information direction at the minister's office, a university man who teaches at the Press Institute, took part in a roundtable discussion nearly 3 years ago and criticized the press law very severely, accurately, and intelligently. The latest Higher Press Council, meeting in 1981, was unanimous on the need to amend the press law. I will say even more. If we take the dailies, including the Destourian Party papers, put them side by side with the press law and present them to legal and information experts, they will find daily at least five or six reasons calling for the confiscation of the ruling party's paper in accordance with the provisions of the press law. This law is fundamentally as oppressive as a law can be. This means that democratic life in Tunisia is deficient. But despite this, I wish to point out that we, as Socialist Democrats, have not had, do not have, and will not have an alternative to the option we have made, regardless of the barriers and obstacles. We are compelled, out of conviction, not to swerve from this option. This option is to wager--a wager which we may lose which is is fundamental to us--on the possibility of embarking on preparations for the process of institutional political change in the post-President Bourguiba period through peaceful political means. If this option loses it credibility in the public's eyes and if certain forces intervene to foil it, then we have no other option.

No to Violence

[Question] Does this mean that you will not march out into the streets and carry arms?

[Answer] We as a movement totally reject this logic or option. The nature of our movement is completely incompatible with any option of rebellion or armed struggle. Our role is very difficult. It is the role of one presenting to history a political idea compatible with the interests of one's country and of service to the officials now in power and to the factions supporting them. Should we in Tunisia, God forbid, reach a state of rebellion, then the main threat will not be to us a movement but to those who have certain interests and who form the regime's main base.

[Question] What is the movement's position among the other opposition parties? Is there some sort of cooperation or agreement to form a broad front?

[Answer] The question of a broad front is premature. It is our opinion that a front crowns a certain course reflecting a popular reality and is not the beginning of a course. We try to

between the acknowledged opposition and unrecognized opposition. To us, the decisive point is to deal with all the parties that declare clearly that they agree to cooperate in political action within the framework of the country's constitution. As for those who think differently, there can be no cooperation or coordination. We coordinate with the Popular Unity Party, the Communist Party, the Movement of Popular Unity, the legitimacy is not with those who are speaking in the union's name these days. This is our position and the government has faulted us for it. But we still cling to this position. We are wagering on cooperation with the other parties.

Economic-political Crisis

[Question] Let us turn back to the crisis. It is political or economic?

[Answer] Tunisia's current crisis is equally political (in the sense of the government's actions), institutional (at the level of institutions), and socioeconomic. But the crisis' main roots were formed at the political level. We say this without slighting the importance of the socioeconomic causes emanating from domestic and external developments which have led to this crisis. It would have been possible to confront the crisis 3 or 4 years ago. But the regime's structure and the developmewnt of its exercise of power have created a barrier obstructing such confrontation. In the wake of the crisis of the late 1960's, the 26 January 1978 eruption, and the 1980 Gafsa incidents and as a result of these developments, Tunisian society has been prepared to embark rapidly on either a dictatorial military operation which leads to no result or on a wager to develop affairs positively by entrenching the traditions of political plurality, even if gradually, and by building a democratic system relying on a state of laws. It has been decided that the latter is the right cure. But regrettably, the regime's character has caused this option to be deficient, incomplete, and unclear.

The political crisis has also emanated from the succession problem and from the failure of the administrative and political circles at both the provincial and the central levels, despite their resounding speeches, to accept the idea of establishing the new system which is founded on plurality and a state of laws. These are the fundamental causes of the crisis, plus the economic hardships to which we have referred repeatedly, particularly before and after the "bread uprising." This uprising was tantamount to a serious alarm from which only a security and police-oriented conclusion was made. Today, we find ourselves facing a difficult and delicate economic situation which must be tackled technologically and with administrative and economic measures, but on the fundamental condition that these proposals,

including the World Bank proposal which we criticize because we believe it may worsen the patient's condition rather than save him, come through a socio-political accord to tackle the crisis being experienced by Tunisian society.

Next Phase

[Question] How does the party view the post-Bourguiba phase?

[Answer] It is difficult for a political party to offer a scenario of what will happen. But the observers have projected several possibilities, including the possibility of a rebellious development which may be exploited by the more deeply rooted currents in the arena or another rebellious development that may be exploited by pan-Arabist tendencies inclined toward and connected with Tunisia's geographic neighborhood.

[Question] What about the possibility of army intervention?

[Answer] This is a possibility projected by journalists and political observers. It is one of the possibilities of which we are aware. But as a party, we do not project it. We say that our endeavor is for political development within the framework of plurality, but not absolute plurality, and of a state of laws.

[Question] What is your position on Article 51, amended by Article 57, which states that the prime minister shall succeed to the position of president?

[Answer] Our position is clear. We have rejected this article. This is not a sound method. After a certain time, the country must embark on general legislative and presidential elections.

8494/13104
CSO: 4504/186

HEDI BACCOUCHE DISCUSSES MAGHREB RELATIONS, ISLAMISTS' INFLUENCE

London AL-HAWADITH in Arabic 27 Mar 87 pp 32-33

[Interview with Hedi Baccouche, director of the Destourian Socialist Party: "Hedi Baccouche to AL-HAWADITH: Exploitation of Religion Leads to Sedition; Arab Solidarity Bolsters and Protects Nation's Entities"]

[Text] Hedi Baccouche was among Tunisia's ruling Destourian Socialist Party youth who took part in the struggle to achieve independence. He participated in preparing the 1985 Tangier conference, the biggest unionist gathering held in the Arab Maghreb in over a quarter of a century. All the good efforts made to revive the conference's resolutions have not succeeded.

The Arab Maghreb has witnessed numerous attempts at unity. Some of the attempts have failed and others continue to strengthen their mainstays on the basis of the principles of good-neighbor relations and of non-intervention in others' affairs. Hedi Baccouche is the engineer of the Algerian-Tunisian-Mauritanian fraternity and cooperation treaty, the sole unionist accomplishment in the Arab Maghreb so far. Hedi Baccouche participated in mapping out this treaty's features while holding the position of Tunisia's ambassador to Algeria, and Tunisia selected him to represent it in the ceremonies held in Nouakchott to mark this treaty's fourth anniversary. The director of Tunisia's Destourian Socialist Party is tied by good and creditable relations to numerous Arab world leaders in the Arab East and Arab Maghreb. He is one of the Maghreb leaders who struggle for and believe in a greater Arab Maghreb whose unity with the Arab motherland is inevitable, regardless of the moment of unification.

AL-HAWADITH had the following interview with Baccouche at his office in Tunisia's capital:

[Question] The remote possibility of crystallizing any unity plan at the Arab Maghreb's level has turned the Tangier Conference

into a minimal achievement. What has been accomplished is also the minimum that can be accomplished under the current circumstances. What are the indications of the convocation of a fourth Tangier conference? Is King Hassan II's plan to form a unified Maghreb parliament a feasible idea?

[Answer] No act, regardless of its intent, can be realized unless it understands the sociological, geographic, economic, and political dimensions of the real situation. The Arabs will unit when they become convinced of reasons for urging a unity acceptable to reason and reaffirmed by logic. In solidarity, the Arabs can confront the political and strategic challenges. Arab solidarity bolsters the Arab nation's entities and leads to an economy whose sole costs are its development costs. This is tantamount to an aspiration. The reality, with all its geographic particulars and its economic ties, has driven us apart. These facts must be taken into account. There are those who believe that the Arab countries cannot unite unless harmony prevails among them and unless they surpass the phase of preoccupying themselves with trivialities.

As for regional unity action, our regional entities must bolster and develop their relations.

On the basis of this objective viewpoint, it might be easy as a first step toward building the Arab nation to respect the idea of the Arab countries' internal unity and then to respect the fact of the regional unities. This is why the plan to build the greater Arab Maghreb might be an important step on the path to building the united Arab nation. This regional unity--the Arab Maghreb--has its objective facts, both economically and in terms of struggle. We struggled together and achieved our liberation together. Building the Arab Maghreb's solidarity must be founded on ethical bases in the broad sense of the word. The most significant and prominent mainstay is that we must agree on ethical bases, in the broad sense of the word, for good-neighbor relations. It is difficult to establish a unionist structure if each of us is more concerned with the others' affairs than he is with his own affairs or if each of us tried, rightly or wrongly, to interfere in the others' affairs. The ethics of unity dictate that the parties to this unity steer clear of interfering in the others' affairs.

Libya's affairs must be determined by the Libyan alone and Algeria's affairs by the Algerian alone. Good sentiments are legitimate at the level of ordinary people. But for a leader and struggler to achieve his aspiration, he must put sentiments aside and view his neighbors as a group with its special characteristics. The predominant opinion among us is that there can be no unity among the Arabs if the Tunisian believes that he is entitled to have his say in Libyan and Algerian affairs. The

existing Algerian-Tunisian-Mauritanian treaty is founded on underlining good-neighbor relations. This is where we should start.

On the basis of the principle of good-neighbor relations, we can achieve a lot in steady, though few, steps through constant action by way of joint projects and intensive trade within the framework of unified political positions. Arab Maghreb relations will undergo major developments toward solidarity and unity when the issue of the Sahara, previously colonized by the Spaniards, is settled and when all of us in the Arab Maghreb agree on the soundest and most successful solutions. As for the Sahara issue, which has afflicted the unity action with a major setback, the historical Maghreb parties met 1 and 1/2 years ago, in 1985, in the conference to immortalize Tangier's memory and exerted efforts to preserve the struggle feasibility and to immortalize the aspirations we formulated in Tangier during the Algerian liberation battle. We agreed to hold meetings between the parties and between deputies from the Maghreb parliaments. The officials have approved these recommendations, Hassan II has given them his blessing, and all the Arab Maghreb leaders are working to crystallize them.

[Question] Why are the historical Maghreb parties which created the Tangier conference spirit and formulated the conference resolutions incapable of tackling the Sahara issue, colonialism's final legacy in the Arab Maghreb area? Why do the Maghreb countries agree on a united position on the Ceuta and Mililla issue and disagree on the Sahara issue?

[Answer] The issues on which the Maghreb countries, both peoples and governments, agree are numerous and varied. The agreement on Ceuta and Millila is one of the points of accord and harmony in the Arab Maghreb's positions. A major dispute, such as the Sahara issue, does not diminish our agreement on the other issues.

[Question] So far, it seems that Perez de Cuellar's plan is the only existing movement plan seeking a solution to the Sahara problem. Do you think that this plan has a chance of succeeding?

[Answer] Measures alone are not enough and solutions are futile unless followed by executive steps. How matters are finally ended is important and fundamental. This visualization is what we will all agree on insofar as the Sahara issue is concerned. It must be visualization by which all the parties concerned are convinced, regardless of the measures and procedures.

[Question] Under the impact of the drought, indebtedness, desertification, and the unemployment crisis, Africa's ruling socialist parties are experiencing the phenomenon of the adoption of a degree of pragmatic liberalism. Insofar as Tunisia's ruling

Destourian Socialist Party, for example, is concerned, will these changes take place at the expense of some of the party's fundamental theories?

[Answer] This important issue to which you are referring must be viewed more comprehensively. The main thing is how to achieve rapid and comprehensive development. Our experience with modern development is new and each of us has had his experiments in this area. There can be no development in Tunisia without development pioneers and without taking the developing economic conditions into consideration. In Tunisia, we do not believe that development is achieved through rigid molds. What is important in development is to achieve practical objectives and a specific level of agricultural production. We must select the formulas that enable us to produce and the proper methods that lead to this objective. We must have people with an adventurous spirit who prosper in a climate of competition because development is struggle. The steps taken in Tunisia respond to these tendencies. Tunisia is not the only country suffering from foreign indebtedness, keeping in mind that I do not think that this problem has reached a serious dimension. Foreign debts are inevitable when a country embarks on a comprehensive plan. The problem lies in the following question: Has real progress been made in the various accomplishments which have been achieved?

After 30 years of independence in Tunisia and now that personal capabilities have emerged, it is not palatable for the state or for the ruling group to embark on production and business activity. The state engaged in business and economic activity when capabilities were missing and lacking. Now that the state has completed building its institutions and now that it has achieved sufficiency in specialized cadres and in the necessary capabilities, and in order that the state may avoid whatever may distort its reputation and that it may stay above all, it is not advisable that the state officials engage in purchase, sale, and production affairs or in whatever is in conflict with party virtues or with the state in its sublime sense. The state administers justice, draws up plans, maintains balances, and provides the means of development. It does not engage in commerce and does not complete with merchants or industrialists.

[Question] The secular parties ruling in the Arab world are living in the phase of the beginnings of conflict with ancestral fundamentalist thought. Is this problem raised in Tunisia to such a degree of intensity? Will this conflict, if it exists, strengthen the opposition's role in the same trench with the government and against this current?

[Answer] Tunisia is an Islamic state with religious unity. The overwhelming majority among us belong to the Malikite school of theology of the Suna sect. President Bourguiba has given Islam

its place as a religion of liberation and emancipation and a religion that guarantees justice among the people. What has surfaced so far is no more than a tendency seeking a political existence through religion and through religious visualizations which are either truly embraced by those who envision them or are intended for political action. There is foreign encouragement for some of the people in charge of these groups. This is surprising in Tunisia.

We believe that these tendencies divert us from our fateful issues, from a intellectual and scientific renaissance, and from confronting whatever poses a threat to our entity. These tendencies are tantamount to sedition among the people. In fact, it is difficult for us to make a distinction between these groups from the doctrinal religious angle. We are confronting these tendencies in constant daily action and in long-range action and plans.

It is the duty of every Tunisian to confront these tendencies that hide behind Islam and that bring inapplicable visualizations. It is no distinction and no feat for the opposition to confront these tendencies. Coordination or cooperation with the opposition for this particular objective does not come by a struggle contact because it is an axiomatic matter. We all agree that the Tunisian may not have loyalties to any foreign party whatsoever.

I do not imagine that we are dealing with each other in order that we may together confront some groups which hide behind religion. We, both opposition and government, agree on love for Tunisia and loyalty to the Tunisian motherland. These are axiomatic issues. I do not think that Tunisia's recognized political opposition in particular encourages these currents and these tendencies.

[Question] Do you think that the fundamentalist current will prevail in the Arab world, especially since the secular parties are suffering from divisions and from ideological conflict with each other?

[Answer] I do not believe that the fundamentalist tide has a chance of success. This tide might have considerably influential forces behind it and these forces may be able to create problems. But constructive rationality and the ability to see the true nature of the issues are prevalent among the Maghreb people generally.

8494/13104
CSO: 4504/186

CASE AGAINST FORMER UGTT LEADER ACHOUR DISCUSSED

London AL-MAJALLAH in Arabic 18-24 Mar 87 p 31

[Interview with Masour Cheffi by Nura Fakhuri: "Tunisian Lawyers' Doyen and Former UGTT Secretary General's Lawyer to AL-MAJALLAH: "I Expected Habib Achour To Be Released After Mzali's Dismissal"]

[Text] Tunis--During Tunisian President Habib Bourguiba's latest visit to Paris, several reports were circulated to the effect that upon his return to Tunisia the president would release a number of political prisoners. It was expected that former UGTT Secretary General Habib Achour (76 years old), sentenced to a 7-year prison term, would be released. But the release has not occurred and Achour continues to stay in prison at the military hospital. Mansour Cheffi, the Tunisian lawyers' doyen and Achour's lawyer since 1965 (also the lawyer for Achour's son, who has been sentenced to a 3-year prison term), talked to AL-MAJALLAH about the possibility of a pardon for Achour and the possibility of his release from jail shortly. He also talked about the good treatment given Achour at the military hospital to which he was transferred after developing a severe health condition. Following is the interview with Cheffi:

[Question] It has been recently circulated that Achour would be one of a number of political prisoners who would be relesed. But this has not happened. Why hasn't Achour been released and will he be released shortly?

[Answer] The only political prisoner released was Ahmed Mestiri, who has been placed under house arrest. I had expected Habib Achour to be treated similarly. I had also expected such a step to take place before last May. But in May, we were surprised with new charges, including the charge of the mismanagement of [Amilcar], one of the UGTT's establishments. Achour was expected to be released after the dismissal of ex-Prime Minister Mohamed Mzali because the ordinary Tunisian believes that Achour ended in jail because of the sharp disagreements he had with Mzali,

especially in the final days of Mzali's administration and particularly on 5 July 1985, when the UGTT declared the transport workers' strike. This timing was exploited to expel 30,000 workers from Libya. But Achour was not released. After Mzali's dismissal, Achour was charged on 5 July 1986 with a criminal case, with misconduct, and alleged treason and was sentenced to a 4-year prison term, in addition to the previous 3-year term. After the trial, there was talk of the possibility of a pardon and it was said that a new political phase had dawned, that President Bourguiba would take charge of the case and would issue a pardon, with a reduced sentence as a first step. This rumor surfaced when President Bourguiba was in Paris and it was said that there was talk of a general amnesty to reduce the tension that has prevailed recently. As a lawyer, I personally am not convinced of the sentence even though the judiciary has had its word. I hope that this pardon will materialize, considering Achour's patriotic and historic stances and his age.

[Question] Have the charges for which Achour was sentenced been proven?

[Answer] In my opinion, they have not been proven even though he was convicted in three charges.

[Question] It is said, for example, that the Tunisian judiciary is independent. As a lawyer, how do you view the judiciary, which convicted Habib Achour, considering that the charges have not been proven?

[Answer] A judge can hide behind freedom of interpretation. But if we view the political cases, including Habib Achour's case, objectively we will find that the prosecution has no practical evidence to confirm the conviction.

[Question] What if Habib Achour's case were submitted to an international court?

[Answer] The court would definitely acquit him.

[Question] How does Habib Achour live in his jail now?

[Answer] He is currently in the military hospital, his health is improving and he is being treated well. He has been in this situation since June 1985. Prior to that, he was in Sfax and was then transferred to Nadour jail in Bizerte, which is a terrible detention camp. There, Achour suffered a severe health crisis. He was then transferred to a civilian jail from which he sent a message to President Bourguiba answering the president's statements that Habib Achour wishes to succeed him and explaining his position. In the wake of the message, Achour was transferred to the military hospital where he has two rooms at his disposal:

a reception room and a bedroom. He has a television set and a radio but he gets only the papers permitted in jail, namely the government papers. He is visited by doctors daily and by his family alternately. The hosptial food is not bad. There is no doubt that the treatment he receives now is much better than the treatment he received in the past. But he is still in jail.

[Question] Is there a feeling that Achour will be released shortly?

[Answer] The whole issue depends on the president's wish. The president has not expressed this wish yet. The judicial phase has ended. The only way Habib Achour can come out of jail is on "conditional release" after he serves half his prison term and provided that he requests a "conditional release" or a pardon. Habib Achour will not make such a request. Therefore, the only way is a decision by President Bourguiba to release him.

[Question] What was Habib Achour's reaction when he learned that a new secretary general was appointed for the UGTT?

[Answer] Habib Achour does not believe this direction to be the UGTT's direction because for the UGTT to continue to have influence over the workers, it must remain independent. When any leadership, whether past or present, gives up this independent it loses its credibility among the workers. When a group of persons gets the leadership unopposed and when the workers are denied the freedom of choice, such a leadership is doomed to failure. A similar situation was experienced in 1978 when the economic crisis was not as stifling as it is now.

[Question] If Habib Achour is released, do you expect him to carry on with political actions or will he retire from political life?

[Answer] Achour believes that his life will end when he retires from the UGTT. I believe that this is the problem. If Achour had pledged to retire from political life, he would have been released in the past.

8494/13104
CSO: 4504/186

'ALI NASIR PUTS LEADERS ON TRIAL

Cairo AL-AMAL in Arabic 5 Mar 87 pp 4-5

[Text] Former South Yemeni President 'Ali Nasir Muhammad announced through his newspaper, KIFAH AL-SHA'B, the beginning of the trial in absentia of a number of Aden regime officials, led by 'Ali Salim al-Bid, the Yemeni Socialist Party secretary general.

The decision made by the court formed by Nasir states that the court has examined details of the reports investigating its power to examine the case before it and containing the acts attributed to the defendants involved in the crime and that it has ensured observance of the rules of the law pertaining to the investigation procedures and of applying the law soundly on the basis of the acts attributed to the defendants.

The court has divided the defendants into the following two groups:

1. 'Ali Salim al-Bid.

2. Salih Munassar al-Sayli.

3. Sa'id Salih Salim.

4. Muhammad Sa'id 'Abdallah--Muhsin.

5. Fadl Muhsin 'Abdallah.

Tried under the provisions of Article 100 pertaining to war crimes, Article 102 pertaining to national treason, Article 104 pertaining to terrorist acts, Article 106 pertaining to acts of sabotage, Article 107 pertaining to damaging the national economy, Article 122 pertaining to armed gangs, and Article 129 pertaining to premeditated murder under aggravating circumstances, read along with Articles 22 and 24 of Penal Code No 3 of 1976.

Second Group:

1. Lieutenant Colonel Haytham Qasim Tahir.

2. Major Salih 'Ubayd Ahmad.

3. Major Badr Salih.

4. Lieutenant Colonel Qasim Yahya.

5. Major Muthanna Salim 'Askar.

6. Major Qasim Husayn.

7. Lieutenant Colonel Muthanna Musa'id

8. Major 'Abd-al-Hadi Dayyan.

9. Major 'Umar Barashid.

10. Major Majid Murshid.

11. Major 'Umar 'Abd-al-Samad.

12. Captain Husayn 'Abdallah.

13. Major Hassan Husayn Thabit.

14. Civil Officer Hanash Thabit Sufyan.

15. Muhammad 'Ali Muhsin.

16. Muhammad Ahmad Abu Shamah.

17. Muhammad 'Abd-al-Rabb Lahsun.

18. Sha'fal Qasim Talib.

20. Ahmad Salih al-Yahudi.

21. Rashid Ahmad Jarhum.

22. Al-Tayyib Ahmad 'Ali.

23. Ahmad Sayf al-Salawi.

24. 'Abd-al-Samad Qasim.

25. Thabit 'Abduh 'Ali.

26. Ahmad Hasan al-Ashtab.

27. Muhammad 'Ali 'Awad al-Mulayji.

28. Dr 'Umar 'Abd-al-Karim.

29. 'Abd-al-Hafiz 'Ali Muhammad.

30. Ahmad 'Abd-al-Wasi' (at Ministry of Interior).

32. 'Abd-al-Wasi' Salam.

33. Mustafa 'Abd-al-Khaliq.

34. Khalid 'Umar Bajunayd.

35. 'Abd-al-Jalil Sufyan.

36. 'Abdallah Ahmad Mas'ad.

37. Muhammad Ahmad 'Aqlan.

38. Muqbil Salih Salim.

39. First Lieutenant Salih 'Atif al-Shahmah.

40. Captain 'Abdallah Qasim Muthanna.

41. 'Abd-al-Hamid Qasim Rajih.

42. Major Muhammad Naji Sa'id.

43. Munassar 'Ali Salim.

44. Amin Ahmad Sayf.

45. Sayf Munassar Muhammad.

46. Ahmad Muhammad al-Habashi.

47. Muhammad 'Ali al-Qayrahi.

48. Brigadier General Ahmad ibn Ahmad.

Tried under the provisions of Article 100 pertaining to war crimes, Article 102 pertaining to national treason, Article 104 pertaining to terrorist acts, Article 106 pertaining to sabotage acts, Article 107 pertaining to damaging the national economy, Article 122 pertaining to armed gangs, and Article 129 pertaining to premeditated murder under aggravating circumstances, read along with Articles 21 and 23 of Penal Code No 3 of 1976.

8494/9835
CSO: 4404/297

SWITZERLAND, SAUDI ARABIA, QATAR FINANCE RECONSTRUCTION

Sanaa AL-THAWRAH in Arabic 24 Mar 87 p 9

[Article by Riyad Shamsan: "In Program To Rebuild Areas Damaged by Earthquake, Contracts Signed To Build 10 Health Centers and To Improve 2 Others; Engineer Muhammad Husayn Jaghman to AL-THAWRAH: Grant from Sisterly Kingdom of Saudi Arabia and State of Qatar, Amounting to $20 Million, Will Be Implemented Shortly"]

[Text] Within the framework of the program to reconstruct the areas of Dhamar Province damaged by the earthquake, the Executive Reconstruction Bureau continues to implement its programs which are included in the project to rebuild the damaged areas on well-studied scientific bases.

Last Thursday, 19 March 1986, the contracts to build 10 preliminary health centers and to improve 2 others were signed on the Executive Bureau premises in Sanaa. The contracts are financed by the Swiss government and by UNICEF. Thye were signed in our country's behalf by Engineer Muhammad Husayn Jaghman, the Executive Bureau director and member of the Higher Reconstruction Council, on behalf of UNICEF by the organization's deputy resident representative in Sanaa and on behalf of the implementing side by the contractor. The signing ceremony was attended by Engineer Jamal Muhammad 'Abduh, the Executive Bureau's deputy director, and by a number of the bureau officials.

Speaking to an AL-THAWRAH reporter on the significance of the UNICEF aid and on the public service and utility project, Engr Muhammad Husayn Jaghman said:

The Swiss government has contributed financial aid to provide the following services and utilities to the inhabitants of the areas damaged by the earthquake:

1. Build 10 drinking water projects.

2. Build 10 preliminary health units.

3. Improve two health centers.

4. Supply the health units and centers with medical equipment and drugs.

5. Train Yemeni cadres to work in these projects.

6. Furnish 35 schools with chairs and desks.

7. Contribute to improving the area's environment.

8. Conduct a program to vaccinate children in the damaged areas.

The Swiss grant amounts to nearly 20 million Yemeni riyals. A large part of this grant has been implemented. Today, the contract to build 10 health units and to improve 2 health centers was concluded with the contractor. The contract's total value is more than 3.5 million Yemeni riyals and the period for the implementation of this part is 12 months. The preliminary health units will be built in each of the following:

1. Al-Mirwat.

2. Al-Qaddadah.

3. Bani Qaws.

4. Al-Jubjub Ya'r.

5. Bani Hajdab.

6. Hadran.

7. Al-Huruj.

8. Hawdah.

9. Wathan.

10. Mushik.

Public Services and Utilities

As to the part of the public service and utility program already completed, the Executive Reconstruction Bureau director said:

The following has been completed in this part of the program:

1. A total of 26 completed temporary schools.

2. Three schools built by the Islamic Bank.

3. As for rural water projects, the following has been completed in this program:

 A total of 84 wells drilled.

 A total of 29 wells with pumps.

The population benefiting from these projects numbers 190,000 people.

Grant Study

When I asked Engr Jaghman about the grant from the Kingdom of Saudi Arabia and from Qatar and about when its implementation will begin, he said:

The grant from the sisterly Kingdom of Saudi Arabia and from the State of Qatar provides for the construction of 44 schools, 30 mosques, 10 health centers, and a 30-km long road linking Dhamar with Dabbah. It amounts to $20 million.

The Executive Bureau has completed drafting the documents concerning the said grant and they have been referred to the authorities concerned to study them.

As soon as we receive the answer, implementation will begin, God willing. We hope that the answer will come in the nearest time possible and in accordance with the reconstruction program. This is in addition to the construction of a number of various utilities at a cost of 21 million Saudi riyals financed by the sisterly Kingdom of Saudi Arabia.

Electricity

Finally, brother Engr Muhammad Husayn Jaghman talked about electricity work in the countryside, saying:

The documents, blueprints, and documents for the qualification of companies have been completed. Data have been received from the companies wishing to be qualified and the Electricity Authority is preparing to distribute the tenders after approval is given by the Kuwaiti Fund to the list of qualified companies.

8494/9835
CSO: 4404/297

NUMEROUS PROJECTS CONTRIBUTE TO DEVELOPMENT IN DHAMAR

Ta'izz AL-JUMHURIYAH in Arabic 20, 22 Mar 87

[Article: "Dhamar Governor Inaugurates and Lays Cornerstone for Number of Projects"]

[20 Mar 87, pp 2, 7]

[Text] Sanaa-SABA'--Brother Muhammad al-Iryani, the governor of Dhamar, yesterday laid the cornerstone for the drinking water project in Majil al-Sawadili Kabud in Wisab Subdistrict. The project will cost 800,000 riyals and is financed by the Rural Water Projects.

The governor also laid the cornerstone for an elementary-preparatory school in Kabud Maghrabat Sa'r in Wisab al-'Ali Subdistrict. The project will cost 1 million riyals and is financed by the local council and the citizens.

He also inaugurated the work to build Maghrabat al-Wadat-Bani Rabi'ah-Wadi al-Sih road at an estimated cost of 575,000 riyals. He then inaugurated the work to build Wadi al-Sih-al-Aj'ur-'Arzamah road at a cost of 365,000 riyals. This project is financed by the local council and the citizens.

Brother Muhammad al-Iryani then laid the cornerstone for an elementary school in 'Uzlat Bani Hafs. This project's estimated cost is 300,000 riyals and is financed by the local council and the citizens.

He also laid the cornerstone for an elementary school in Ithnayn Wadi al-Nar area. The project's estimated cost is 300,000 riyals and is financed by the local council and the citizens.

The brother governor of Dhamar Province then opened the communications and telephone complex in al-Dann, the center of Wisab al-'Ali Subdistrict. The project costs are 1.1 million riyals.

He also inaugurated the health clinic in al-Dann, which cost 3 million riyals.

He then inaugurated the work to build the road between the subdistrict center and Yakhsur Bani Haddad. The project will cost an estimated 350,000 riyals and is financed by the local council and the citizens.

He also laid the cornerstone for the Teachers Institute in al-Dann. The project's estimated cost is 12 million riyals.

Brother Muhammad al-Iryani then inaugurated the work to build Nu'man-al-Sharaqi-al-Hijrah road at an estimated cost of 750,000 riyals financed by the local council and the citizens.

He then inaugurated the work to build Hawan-Maghrabat al-Ra'adi-Qarrah road and the work to build al-Jubjub road at an estimated cost of 500,000 riyals financed by the local council and the citizens.

He then inaugurated the work to build Hawan-Maghrabat al-Ra'adi-Qarrah road and the work to build al-Jubjub road at an estimated cost of 500,000 riyals financed by the local council and the citizens.

The brother governor of Dhamar Province then opened another elementary school in the area, which cost an estimated 1.2 million riyals.

He then inaugurated the work to build 'Uzlat Gharbi-Kabud-al-'Utayb road, al-Maydal-Zajid road, Wadi-al-Sih-al-Aj'ud-'Azramah road, Maghrabah-al-Wadat-al-Fahdah road, and al-Sawad-Bilad al-Sadah road at an estimated total cost of 1.4 million riyals financed by the local council and the citizens.

On inaugurating the laying of the cornerstone for these projects, the brother governor of Dhamar Province was accompanied by the director of security for Dhamar Province, the general director of Wisab al-'Ali subdistrict, a number of general directors of the ministries' bureaus in the province and of the Agricultural Cooperative Loan Bank, the chairman and members of the local council of Wisab al-'Ali Subdistrict, a number of the brother members of the People's Congress, and other officials.

[22 Mar 87 p 2]

[Text] Sanaa--SABA'--Brother Muhammad 'Abdallah al-Iryani, the governor of Dhamar Province, has inaugurated and laid the cornerstone for a number of development and service projects in Wisab al-'Ali and Wisab al-Safil Subdistricts.

In Wisab al-Safil Subdistrict, he inaugurated the work to build al-Shabirah-al-Tayadir-Bani Musallam road, al-Mirba'ah-al-Baq'ah-Bani Shu'ayb road, Musharra'ah-Bab Sharaf road, al-Kalbayn-al-Qa'imah road, al-Salaf-al-Sahlah road, and Khadamat-Rubu' al-Sa'ilah-Ja'ar road.

The brother governor ghen inaugurated Wadi al-Sirah-Bani Shu'ayb water project. He also inaugurated al-Warir-al-Magharidah-al-Shuraka' road and the work to build Bani Musa-al-'Abbadi road and the Bani Musa-al-Jarani-Muwassa'at Ja'ar road.

The governor also laid the cornerstone for an elementary school in al-Jadlah area of Wisab al-'Ali Subdistrict.

The total cost of these projects amounts to 5.9 million riyals financed by the General Rural Projects Directorate and the local council of Wisab al-'Ali subdistrict, with contributions from the citizens.

On the occasion, a popular ceremony was held and speeches were made expressing the citizens' happiness with the realization of these projects.

The brother director general of Wisab al-'Ali Subdistrict also delivered an address in which he welcomed the brother governor in the subdistrict's name and expressed the appreciation of the area's citizens for our political leadership's interest in providing the various service projects needed by the area.

The brother governor of Dhamar Province then delivered an address in which he conveyed the brother leader president and secretary general's greetings to the area's citizens. The governor assured the citizens that the government is eager to provide various projects to all our people and he urged the citizens to cooperate with the local council to enable it to achieve the projects the area needs.

In Wisab al-Safil Subdistrict, the brother governor of Dhamar Province inaugurated the first phase of the drinking water project for the Bani 'Ayyash area and laid the cornerstone for the project's second phase. He also laid the cornerstone for a flood barrier in Bani al-Ramadi area of Wisab al-Safil Subdistrict. He further inaugurated the first phase of the drinking water project for al-Thalath and Bani Salih areas and laid the cornerstone for the project's second phase. He also laid the cornerstone for the drinking water project in the Bani 'Ali area.

The brother governor then inaugurated the clinic in the provincial capital of Wisab al-Safil Subdistrict and laid the cornerstone for the teachers institute and the cornerstone for the drinking water project in the subdistrict's capital.

He also inaugurated the communications building and the telephone center in the Bani Hattam area and laid the cornerstone for the water projects in Bayt al-Ghabban, al-Shabwah area, and the Bani Hattam area.

The total cost of these projects amounts to 22.7 million riyals financed by the local council of Wisab al-Safil Subdistrict and the citizens.

The brother governor of Dhamar Province also inaugurated al-Misbah al-Kabir Mosque, which was built and furnished by a benefactor at a cost of 5 million riyals.

A popular rally was held on the occasion and numerous speeches were made in the name of the subdistrict's administration, of the local council, and of the Federation of Yemeni Sutdents and in the name of the male and female students. Verses were also recited by the citizens.

The speeches expressed the happiness of Wisab al-Safil Subdistrict citizens and their happiness with the achievement of these vital projects, which

will contribute to enhancing the standard of their educational, health, and social life, and the citizens' high appreciation for the interest of our political leadership, headed by Colonel 'Ali 'Abdallah Salih, the leader president and the secretary general, who has given his invaluable instructions to the government to provide projects for and to give priority to the underprivileged areas so that the 26 September revolution's munificence may encompass all our citizens.

At the conclusion of the rally, the brother governor of Dhamar Province delivered an address in which he conveyed the brother leader president and general secretary's greetings to the subdistrict's citizens.

He asserted that these projects and the various other development projects being witnessed by our country have been achieved as a result of the greatness of our people and of their political leadership, which believes in the greatness of the people and in their ability to challenge all hardships.

Concluding his address, the governor pointed out the importance of the citizens' cooperation with the local council to enable it to achieve more accomplishments.

On inaugurating and laying the cornerstone for these projects, the brother governor was accompanied by the province security director, the directors of the bureaus of the ministries concerned, the general director of the Agricultural Cooperative Loan Bank's branch, and members of the local cooperative development councils of Wisab al-'Ali and Wisab al-Safil Subdistricts.

In a statement he made to a SABA' NEWS AGENCY correspondent upon the conclusion of his field visits to all of the province's subdistricts, the brother governor pointed out that these visits have been carried out on the instructions of the brother leader president and secretary general for the purpose of on-the-spot familiarization with the subdistricts' need for development and service projects and with the citizens' concerns and problems and for the purpose of exerting efforts to solve these problems and to eliminate all the difficulties that hamper the realization of projects.

Concluding his statement, the governor asserted that the visits have served their desired objectives and purposes.

8494/9835
CSO: 4404/297

OIL PRODUCTION EXPECTED TO IMPROVE ECONOMIC SITUATION

London AL-TADAMUN 11-17 Apr 87 p 45

[Article by Siba Paris: "Oil Brings Hope to the Yemeni Economy"]

[Text] At the end of last year the laying of the cornerstone for constructing the first oil pipeline across the territory of the Yemen Arab Republic was celebrated. Prime Minister 'Abd-al-'Aziz 'Abd-al-Ghani presided over the celebration, to demonstrate the extent of the importance that Yemeni officials place on oil projects in the country.

This pipeline, whose construction cost is estimated at $300 million, will connect oil fields in the northeast with the port of Salif on the Red Sea. Its construction is expected to be completed prior to the end of 1987. In 1984 exploitable oil deposits were discovered in the al-Jawf al-Batin region, 250 kilometers northeast of the capital, Sanaa. This oil field, whose reserves are estimated at 500 million tons, is considered the largest field in the entire country.

While North Yemen is still considered a marginal oil-producing country, it has hopes of producing 200,000 barrles of oil per day in the next five years. However, the amount of the oil revenues that might enter the Yemeni treasury is still difficult to estimate due to the oil price fluctuations in the international market. Yet this revenue will be important because it will create a large curve in the economic development of this country, which will cause it to enjoy a comprehensive upswing with the beginning of 1988. President 'Ali 'Abdallah Salih recently pointed out that the Yemeni government is considering expanding oil exploration and drilling operations to include the off-shore and central regions of the country, in a relatively short period of time.

Informed oil sources say that the Yemeni interior territory could be richer in oil than is believed and that it is not unlikely that, given expanded exploration, drilling, excavation, and investment, Yemen's oil production could reach more than 1 million barrels per day.

It is worth noting that a consortium of companies is building the pipeline, headed by a company of Lebanese contractors (Lebanon Consolidated Contractors Company). It includes the Italian [Saibin] company, the West Germany [Mannesmann] company, and the Japanese Mitsubishi company. This last company

won a contract worth $50 million to provide 78,000 tons of steel and piping for the project.

While waiting for the promised wealth from oil resources, the Yemeni economy is still struggling with a severe economic crisis and is knocking on doors to obtain loans and new financial resources. The dwindling of Arab aid, the decreased number of remittances from Yemeni workers abroad, and the decline in value of the Yemeni riyal against the dollar are reflected in the ample foreign currency reserves in the country that have significantly decreased. The Yemeni leadership hopes that the country will come out of the dark tunnel through which it is now passing in two years, when the oil revenues start filling the country's empty treasury. While they are waiting for this; they are finding themselves forced to implement a harsh policy of austerity, imposed upon them by internal, regional, and international conditions. Today Yemen, whose population is 9.2 million, confronts the serious problem resulting from the 80 percent decline in foreign remittances sent by expatriate workers. These remittances reached approximately $600 million in 1986, their lowest level since 1970. If we take into consideration the fact that Yemen is a country that depends primarily on emigration (the number of known emigrants is 1.2 million), we realize how burdensome the loss resulting from this situation would be.

Furthermore, the decline of the local currency made matters even worse. The dollar was worth 4.5 riyals in 1983. But in the first quarter of 1986 it reached 7.2 riyals. It is now 11.5 riyals. To counteract this crisis, the government has taken several steps to limit imports and to shut down the currency exchange offices that use illegal rates. Statistics published by the central bank reveal that as a result of this, imports declined by 38 percent in the first quarter of 1986, and reached $101.9 million as compared with $164.2 million in the corresponding period for 1985. Yemenis travelling abroad can no longer take with them more than $20,000 per person, and foreigners arriving in Yemen must pay an entry fee of $150 per person.

But the impact of these steps has had the opposite effect from their intended purpose. The inflation rate has risen. Basic primary commodities and medicines have begun disappearing from the markets. Naturally the latest oil discoveries and the building of the Grand Ma'rib Dam came at the right time to restore the confidence of the people of Happy Yemen. What remains to be seen is how expectations will be fulfilled and how investments of available resources will be made in a most profitable manner, in a country used to importing everything and exporting nothing but qat and the strength of its men.

13013/12947
CSO: 4404/320

CUT IN U.S. AID TERMED NOT SURPRISING

Bombay THE TIMES OF INDIA in English 7 Apr 87 p 8

[Editorial: "U.S. Congress 'Message'"]

[Text]

In the wake of American backsliding on the sale of a supercomputer to this country, the 18-to-14 vote by the U.S. house of representatives foreign affairs committee to cut aid to India in 1987-88 from 50 million dollars to 35 million dollars should come as no surprise except to those who continue to believe that the U.S. remains dewy-eyed about shoring up what it likes, in its more florid moments, to call "the world's largest democracy". In the case of the supercomputer, a U.S. inter-agency panel has decided to supply India with a more primitive model than New Delhi had been bargaining for. This after two years and more of wrangling over the deal. The hawks in the Reagan administration, who are paranoid about India's relations with the Soviet Union to the point of believing that the secrets of anything sophisticated India receives from the U.S. will automatically be passed on to the Soviets, have evidently won out over those who favour a less ideological stance. The same paranoia is at work in the matter of aid. Those on the house committee who had their way in cutting aid to India made no bones about their reasons for wanting to do so. India, in their opinion, pursues policies not in line with American foreign policy goals and should be punished for it. At the same time, to rub salt into the wound, the committee decided to increase aid to Pakistan by 50 per cent. The aid cut proposal now goes before the full house of representatives, which is expected to endorse it. The U.S. senate may adopt a similar stance. Ironically, India is now repaying the U.S. for past loans, plus interest, much larger sums than it is getting by way of new aid.

The message the American Congress has sent to India confirms the rapid hardening of U.S. policy towards this country. This has coincided with the intensification of Pakistan's role in American strategic plans in this region. There can be no doubt that Pakistan will get the four billion dollars-plus that the Reagan administration wishes to give it over the next six years, beginning in October. Nor can there be any doubt that the U.S. will supply Pakistan with sophisticated weaponry, ostensibly to deal with an anticipated Soviet offensive, but in fact to be deployed against this

country. Nor will the U.S. try to thwart Pakistani nuclear ambitions. Significantly, according to Mr. Stephen Solarz, who is chairman of the house of representatives sub-committee on the near east and south Asia and who is supposed to be a "friend" of India's, there is now a move to link U.S. aid to India with American certification to Congress that India does not possess nuclear weapons. Such a move would be one more American device to put India and Pakistan on the same footing on the nuclear question. New Delhi's response to such blatant arm-twisting should be to adhere more firmly than ever to the independent, non-aligned foreign policy it has fashioned since independence.

/13046
CSO: 4600/1621

REPORTAGE, COMMENT ON POSSIBLE SUPERCOMPUTER PURCHASE

U.S. May Upgrade Offer

[Calcutta THE TELEGRAPH in English 13 Apr 87 p 5]

[Text] New York, April 12 (PTI): The US government, which recently offered India a supercomputer of relatively-limited power, has indicated that it will consider upgrading that at a later stage, according to informed sources.

The models offered to India are considered generations behind the state-of-the art equipment manufactured in the US. The Indian government had reportedly applied for an export licence for a highly-advanced model but the Reagan government is not willing to give that.

According to reports here, India wanted a Cray X-MP configured with two processors that run in tandem. But Washington is not agreeable to selling any machine more powerful than a Cyber 205, a past-generation supercomputer.

In a recent communication, the US government reportedly told India it was free to acquire the Cyber 205, a Cray 1 of approximately the same vintage, a single-processor Cray X-MP or "some other machine of equivalent capability."

While nothing has been said officially in public about the reasons for the US' reluctance to give India the supercomputer it wants, reports here have spoken of fear that the technology may be passed on to the Soviet Union. The more advanced models are used in this country for code-making and code-breaking, designing of weapons and analysis of satellite photographs.

Indian officials have responded to those fears by drawing attention to India's track record in maintaining secrecy. Some 10,000 collaborations have been signed by India with various foreign countries without any incident of the technology having been passed into unauthorised hands, they point out.

The Indian government has not yet responded to the US offer. It has only said the offer was under consideration.

But US officials are reported to have indicated recently that the question of upgrading the equipment that India may buy could be considered later.

Of the supercomputers offered to India, the Cray X-MP, for instance, can be configured to use four processors simultaneously to make it much more powerful. There is a reluctance on the part of the US to give India a machine of that speed and capability now but obviously is not ruled out at a later stage.

It is not clear what the Indian government's response will be to the basic offer and to indications that the equipment may be upgraded later. By the time the Americans allow India to improve the capability of the equipment it buys, even more advanced computers would undoubtedly be available and what India is offered may again not be the best available.

American media reports have mentioned that the Indian government has retained the option of purchasing supercomputers from Japanese firms. But Japan is also said to be willing to sell only single processor machines.

The US and Japan have been in touch with each other on this issue and have settled the ground rules under which they would allow the sale of supercomputers to India. Washington sought and apparently obtained Japan's cooperation in ensuring that its industries do not take advantage of restraints which the US government may put on the sale.

U.S. 'Fears' Cited

Bombay THE TIMES OF INDIA in English 17 Apr 87 p 1

[Article by J.N. Parimoo]

[Text]

THE United States defence department suspects that India might be wanting to use the supercomputer to design and develop nuclear warheads. These suspicions have been fuelled, to a large extent, by Pakistan and by its friends in the Pentagon.

According to reliable American sources here, the real reason for the U.S. not agreeing to give India the advanced supercomputer (XMP-24) is not the fear that the technology could get retransferred to communist bloc countries but the suspicion that India might use the advanced type of supercomputer to design nuclear weapons, and to miniaturise these weapons to prepare nuclear warheads for a delivery system that India is seen here to be developing.

One expert associated with the making of supercomputers said that if possible diversion was the reason for refusal, the U.S. administration would not have offered the XMP-14 and refused to sell the more advanced XMP-24 because the basic technology involved in both cases is the same.

While seeking to buy American supercomputers, India has accepted very stiff conditions. Some of these were seen by critics as impinging on Indian sovereignty. All the same, to allay American doubts, those conditions were accepted. What is more, India also gave written assurances that it would not use the U.S. supercomputer for any nuclear weapons purposes. Despite these assurances and conditions, mistrust and suspicions persist in Washington, at least in some traditionally anti-India circles.

The question asked here in knowledgeable Indian circles is why Indian negotiators accepted all those stiff conditions without even knowing what type of supercomputers they were getting.

It is true that negotiations for a supercomputer between the two countries started for the comparatively less-advanced Cyber 205 (made by Computer Data Corporation). But those negotiations came to a virtual standstill in the autumn of 1985 when a team of Indian scientists from the Bangalore institute visited the U.S. and were taken to Minneapolis for a conference with representatives of the U.S. defence and state departments. The Indian scientists refused to accept the conditions that the Americans then wanted to impose for the safeguarded use of the supercomputer. They argued that Cyber-205 technology was old and easily accessible in West European laboratories. Safeguards were not, therefore, warranted.

Indian interest in a U.S. supercomputer was revived when Cray Corporation offered to sell the comparatively more advanced supercomputers (XMP-14 and XMP-24). In response to Cray Corporation's offer, the Indian government requested the U.S. government for an export licence for the sale of the advanced supercomputer XMP-24. That request was made in September 1986.

Months later, a team of American experts went to Delhi with the knowledge that India was seeking to buy the advanced type of computer, namely the XMP-24. The Americans said they were insisting on stiff conditions and seeking assurances because they were assuming that either of the two (the XMP model made by Cray Corporation or the Cyber 205 made by Computer Data Corporation) could be sold to India. They argued they could not discriminate against any U.S. corporation. This was seen by Indians as a hint that they would get the latest model, that is the XMP-24 for which they had made a request. Naturally, Delhi must have been surprised when it was told that it would not get the more advanced XMP-24.

On behalf of the state department, it has been argued that if India needs the supercomputer to modernise its weather forecasting, the supercomputer that is being offered would be more than adequate to meet weather needs. In support of this argument, the deputy assistant secretary of state, Mr Robert Peck, said on Tuesday that the supercomputers being used in the U.S. for weather forecasting were less advanced than the one being offered to India. But the logic behind the state department argument seems to be misleading. When supercomputers came to be used for weather forecasting, the XMP-24 model was not available.

The most advanced weather forecasting centre of the world, which is situated in Europe, uses the type of supercomputer that India has asked for (XMP-24) and not the XMP-14 that the U.S. is offering. That would go to show that if weather forecasters have the choice they would rather go in for the best and the latest. What is more, even the U.S. air force uses the XMP-24 supercomputer and not the XMP-14 for purposes of weather forecasting.

Supercomputers have come to be used in this country for a wide variety of purposes. A supercomputer was, for instance, used for creating animation effects in the film "star Wars". Supercomputers are also being used to help in designing aircraft and automobiles. They can be used increasingly for designing and developing nuclear weapons. In fact, the latest supercomputer (the XMP-24, which India has sought and the top of the line supercomputer XMP-48) are being used for intricate calculations by America's two top research laboratories, the Los Alamos and the Livermore, where this country's latest nuclear weapons and "Star War" weapons are being designed and developed.

A supercomputer can also be used to simulate conditions of a nuclear test explosion, with the result that a country wanting to make a nuclear weapon can use a supercomputer to avoid the political inconvenience of a test explosion.

Insult Added to Injury

Bombay THE TIMES OF INDIA in English 18 Apr 87 p 8

[Editorial]

The U.S. is adding insult to injury by offering India only the Cray-XMP 14 Supercomputer instead of the Cray-XMP 24, after two years of protracted negotiations. The argument is that the XMP-24, with its two parallel processors, can be put to nuclear uses which the XMP-14 with only one processor cannot be. After the visit of a delegation led by Mr Robert Dean of the state department last December, it was announced that the decks had been cleared for the sale of a Supercomputer to India. But just precisely what assurances had been given to the Americans about monitoring the end-uses of the Supercomputer was not clear. The secrecy about the conditions of sale has resulted in much disinformation about the sudden "fears" of the U.S. administration about the possible uses of the computer for developing nuclear weapons. The U.S. has had such fears right from the beginning and India has not been able to allay them by accepting the concept of limited sovereignty, which the NATO allies of U.S. accept in such matters.

In December last year, it was widely believed that the Supercomputer sale was imminent and that the assistance of U.S. personnel would be required to install, operate and maintain the computer in India. Presumably, their functions did not include supervision, as that would impinge on India's sovereignty. Nevertheless, it was thought that the conditions were stiff and India had even given a written assurance that the Supercomputer would not be put to nuclear uses. It is also pertinent to note that the Indian government had made a specific request for the Cray-XMP-24 in September last year and the conditions of sale were worked out three months later in December. And they were worked out presuming that the Cray-XMP-24 was available. So it makes little sense for the U.S. to now suddenly rake up fears about end-uses and talk in terms of offering only the older model, or even offering to update it a few years later. Coming as this does after the US House of Representatives has voted to cut aid to India, it can only point to the changing U.S. perceptions of its relationship with this country. Under these circumstances, India cannot be seen to be going on the defensive. It must refuse to accept any other Supercomputer from the US than that it had requested. At the same time, there is need to be careful about not countering U.S. reticence by giving credence to the Soviet offer of supplying a Supercomputer which is still in developmental stages. Indeed, this may also be an opportunity to seriously re-examine our need for such a computer.

/13104
CSO: 4600/1656

DEVELOPMENTS IN INDO-SOVIET TRADE, COOPERATION

Soviet Scientist Interviewed

New Delhi PATRIOT in English 8 Apr 87 p 5

[Interview with Guri Marchuk, president of the USSR Academy of Sciences by unnamed PATRIOT reporter; date and place not specified]

[Text] The visit to India by a delegation of top Soviet scientists headed by academician Guri Marchuk, president of the USSR Academy of Sciences, marks a significant step in developing Indo-Soviet cooperation in the field of science and technology, reports IPA.

At the conclusion of week-long discussions between the Soviet scientists and their Indian counterparts, a protocol aimed at giving a new momentum to India's developing technology and scientific capability was signed by academician Marchuk on behalf of the Soviet Union and Prof C N R Rao, chairman of the Scientific Advisory Committee to the Prime Minister, on behalf of India.

Academician Marchuk's visit to India came as a sequel to the decisions taken by Prime Minister Rajiv Gandhi and Soviet leader Mikhail Gorbachev in November last year. The Prime Minister had announced at a press conference that the Marchuk delegation alongwith Indian scientists will work out proposals for joint research in several important areas of frontier technology.

In an interview, academician Marchuk observed that: the Soviet delegation that came to India was the most powerful team of scientists that the USSR has ever sent to any country.

What are the areas of frontier technology and science that Indian and Soviet scientists would jointly take up? What is their import and long-term significance for India? And what is the time frame for the joint projects? Academician Marchuk threw light on these and other questions.

Question: Academician Marchuk, will you specify the areas identified by Indian and Soviet scientists for joint research?

Marchuk: The bilateral talks between the scientists of the two countries led to identification of a number of project-oriented activities in selected areas. These include areas of biotechnology and immunology, materials science and technology, lasers, catalysis, space science and technology, synchrotron radiation, and water prospecting.

Along with these areas of applied science and technology, research in fundamental sciences will also be undertaken jointly, such as mathematics, which has great relevance for computer science; earth sciences; physics; chemistry; etc. The two sides have also agreed to continue and develop further the present joint research projects in new technologies such as search for new sources of energy, study of the problems of powder metallurgy,

protection of metals from corrosion, etc. Work in the area of coal-based MHD power generation, which has resulted in commissioning of an experimental unit in Tiruchirapalli, is to be further advanced.

Q: Can you dwell on the significance of the science-technology cooperation now being launched? What is the time-frame and what are the dimensions of this cooperation?

Marchuk: A few words about the framework in which these decisions have been taken. In the seventies, inter-governmental agreements were signed on scientific and technical cooperation in agriculture, medicine, peaceful uses of atomic energy and others. The academies of sciences of the two countries became the points of contact. The vast scale of the programmes developed can be judged by the sphere of applied sciences and technology, in which, during the period 1984-1987, results of joint work were implemented in 22 directions covering 112 themes with the participation of 66 Soviet and 48 Indian scientific organisations. Specially to be mentioned are the very important data collected by us jointly for determining the most probable zones of valuable mineral deposits, for penetrating into the secret of geoelectric and geomagnetic fields, the commissioning of the first Indian coal-based MHD-power installation in Tiruchirapalli in Tamilnadu, and the putting into orbit of three Indian artificial earth satellites of the Bhaskara and Aryabhatta type.

With such mutual gains we advanced to the next stage of scientific cooperation reflected in the agreement on the basic directions of scientific and technical cooperation up to the year 2000 signed in 1985 in Moscow. The dynamics of the entire range of Soviet-Indian relations is such that it was imperative to raise the scientific and technical cooperation between the two countries to a still higher level. In my opinion, this gave rise to the grand project now being taken up which envisages not only joint research and mastering of new technologies — here we have a vast experience — but also their commercial exploitation.

This long-term programme, which has no parallel in the world, will eventually involve thousands of scientists, engineers and workers. The time-frame of the programme and other decisions will be taken in June when the Indian scientists' delegation visits Moscow on our invitation.

Q: Does the programme include cooperation in space and the setting up of a space centre in India?

Marchuk: In regard to space cooperation, there is a separate agreement between the two governments. Joint work on space science and technology included in the present programme relates to specific problems in this sphere of special importance for India. Similarly, in regard to the setting up of the space centre, the project is a separate one not covered by the protoool now agreed upon by us.

Q: There is mention of immunology in the areas identified. What is the Soviet scientists' attainments in immunology?

Marchuk: The Soviet scientists have done a great deal of work in the elaboration of the latest methods of immunology. Models of advanced clinical therapy, built not on the treatment of an organism or a disease but on the correction of its system of resistance to anti-genes or even rectification of the protective functions of organisms, have been developed for the first time in world medical practice due to the efforts of Soviet mathematicians, doctors and immunologists.

Q: In regard to research in fundamental sciences, could you throw light on the areas of interest for India?

Marchuk: The Soviet school of mathematics occupies a leading place in the world. The achievement of our Indian colleagues in this field have also been recognised on a world-wide scale. T Narasimhan, for example, is one of the members of the Executive Committee of the International Union of Mathematicians. Naturally, this sphere of our cooperation will be considerably widened.

Trade Delegations Meet

Madras THE HINDU in English 9 Apr 87 p 9

[Text] NEW DELHI, April 8.

Measures to concretise the suggestion of the leaders of India and the Soviet Union to take bilateral trade to Rs. 9,000 crores by 1990 were discussed at a meeting of the delegations of the two Governments here today. The Indian team was led by the Commerce Minister, Mr. P. Shiv Shanker and the Soviet side by Mr. V. M. Kamentsev, Deputy Prime Minister and co-chairman of the Indo-Soviet Joint Commission.

The proposal that the two-way trade should be increased two-and-a half times in five years from the 1985 level of Rs. 3,600 crores was mooted at the meeting between the Prime Minister, Mr. Rajiv Gandhi, and the Soviet Communist Party General Secretary, Mr. Gorbachev, here last November.

Mr. Shiv Shanker told the visiting team that India was identifying additional items for import from the USSR in the power, coal, petroleum, railway, civil aviation and electronics sectors. Similar exercises were on to find out Indian engineering items for export to the Soviet Union. India had a favourable trade balance with the Soviet Union. Its exports in 1986 totalled Rs. 2,180 crores while imports amounted to Rs. 1,500 crores.

The Commerce Minister said Indo-Soviet collaboration in hotel projects at Samarkhand, Bukhara and Tashkent was now close to finalisation.

The Soviet team evinced interest in the exchange of machinery, equipment, manufactures and commodities. These cover chemicals and petrochemicals, industrial raw materials, dyes for the textile industry and agro-chemicals.

Mr. Shiv Shanker underlined the importance of long-term cooperation to ensure stability to bilateral trade. He made a special reference to the importance of stepping up tobacco exports from India, and suggested that the Soviet Union could increase its offtake.

Indian restaurant in Moscow: Among the projects involving Indian collaboration which are about to be launched in the USSR is an Indian restaurant in Moscow. This would open in July to coincide with the Festival of India.

Mr. Shiv Shanker welcomed the Soviet decision to set up a USSR-India Chamber of Commerce in Moscow with Indian representation. This would help disseminate up-to-date information on trade. The India-USSR Chamber of Commerce is also planning to open an office in Moscow shortly.

Further talks on increasing bilateral trade will continue between the Commerce Secretary, Mr. Prem Kumar and the Soviet Vice-Minister for Foreign Trade, Mr. E. P. Bavrin, in the next few days.

Mr. Kamentsev, along with 20 members of his delegation, visited the factories of Escorts Limited at Faridabad on the outskirts of Delhi today. They went round the plants manufacturing tractors, cranes, loaders, excavators and shock absorbers, etc.

Mr. Kamentsev told the principal executives of Escorts—Mr. Rajan Nanda and Mr. Anil Nanda—that his mission was to try and identify areas where concrete action could be taken to widen the scope of trade between India and the USSR.

Industrial Cooperation Pact

Madras THE HINDU in English 9 Apr 87 p 1

[Text] NEW DELHI, April 9.

The visiting Soviet Deputy Premier, Mr. Vladimir M. Kamentsev, conferred with the Prime Minister, Mr. Rajiv Gandhi, after signing an agreement today for industrial production cooperation with India up to the year 2000 A.D.

The foreign office spokesman here characterised the meeting with Mr. Gandhi as "a courtesy call," during which Mr. Kamentsev expressed USSR's desire to step up economic cooperation with India in terms of what the Soviet leader, Mr. Mikhail Gorbachev, and the Prime Minister envisaged last November.

Today's agreement on production cooperation in a number of industrial sectors was signed by Mr. J. Vengala Rao, the Industry Minister. A second agreement on telecommunications and postal services was signed by the Communications Minister, Mr. Arjun Singh and Mr. Kamentsev.

Under the telecommunication agreement India and the Soviet Union will have full scale international subscriber dialled telephone service between them and will also help provide telecommunication traffic to Third countries.

Bilateral trade: The two countries also decided to raise their bilateral annual trade by 250 per cent in the next five years—taking it from Rs. 3,800 crores at present to Rs. 10,000 crores.

The official delegations of the two countries discussed the details of realising the target by expanding and diversifying their trade in hitherto unknown areas. The Indian side was led by the External Affairs Minister, Mr. N. D. Tiwari and the Soviet side by Mr. Kamentsev.

Meanwhile, speaking at a banquet in honour of the visiting Soviet leader, Mr. Tiwari said the cornerstone of India's foreign policy was friendship with the Soviet Union which was characterised by mutual understanding and trust at the highest level and which permeated to all working levels. He said Indo-Soviet relations had matured into a stable and resilient factor of contemporary international reality

Telecom Accord Signed

Calcutta THE STATESMAN in English 11 Apr 87 p 6

[Text]

NEW DELHI, April 10.—The talks that Mr Vladimir M. Kamentsev, Deputy Chairman of the Council of Ministers of the Soviet Union, has had with Indian leaders and officials on Tuesday and Wednesday have helped to identify a little more closely the areas of economic and technical cooperation between India and the Soviet Union. These would, hopefully, be given more concrete shape when the joint commission meets in Moscow early in June.

Mr Kamentsev and the Union Minister for Communications, Mr Arjun Singh, signed an agreement on Thursday, providing for the introduction of an international subscriber trunk dialling service between the two countries, assistance to third countries to develop telecommunications, promote joint sector telecommunication projects in either country, supply and sale of equipment and joint manufacture of communication equipment.

A similar agreement was signed on production cooperation in various industrial fields. The Soviet leader also met the Commerce and Industries Ministers. He later called on Mr Rajiv Gandhi.

The talks have been in the nature of a follow-up of Mr Gorbachov's visit to India in November last year One of the important goals set by both countries is to increase the trade turnover by 250% in another five years, up to Rs 10,000 crores.

Mr Kamentsev also met the Minister for Energy, Mr Vasant Sathe, last evening and reviewed the various power projects being undertaken here with Soviet assistance, the major ones being the Vindhyachal and Kahalgaon super thermal stations, and the Tehri Hydel Project.

Mr Kamentsev's visit has helped to identify new items that would be imported from the Soviet Union in such areas as coal, power, steel, petroleum, civil aviation, railways, telecommunications and electronics.

In the field of petroleum, besides the already commissioned major exploration projects in the Cambay and Cauvery basins with Soviet credit, work in West Bengal will be started soon by Soviet experts.

The other areas of increased cooperation will be non-ferrous metallurgy, electronics, machine building, expansion and modernization of the Bokaro Steel Plant to step up production to 4.5 million tons, economic and technical cooperation by the Soviet Union in export-oriented units and assistance to India's coal-mining programme.

In the fields of chemicals, petrochemicals and pharmaceuticals, some products have been identified for commodity trade at a meeting between the Soviet delegation and officials of the Chemicals and Petrochemicals Ministry, headed by the Secretary, Mr H. K. Khan.

The seven-member Soviet delegation is scheduled to return home on Sunday after visits to Hardwar and Agra.

/13046
CSO: 4600/1622

CONTINUING REPORTAGE ON SWEDISH ARMS PURCHASE ALLEGATIONS

Paper Corrects Misinterpretation

Madras THE HINDU in English 29 Apr 87 p 1

[Text] It was wrongly reported from New Delhi in THE HINDU of April 28 that the Prime Minister, Mr. Rajiv Gandhi, had told a biennial conference of Army commanders that the present Prime Minister of Sweden, Mr. Ingvar Carlsson, had clarified that the arrangement ruling out middlemen and non-governmental agents (in the Bofors howitzer deal) had been followed and that no money had been paid to any Swiss bank.

This report was based on a misreading of a reference contained in the officially released summary (published elsewhere in this issue) of what the Prime Minister had said to the closed meeting. According to the release: "The Prime Minister pointed out that the negotiations and purchase of 155 mm. Swedish howitzer were meticulously handled. He reiterated that he had made it clear to the Swedish Prime Minister, Mr. Olof Palme, that there should be no middlemen, the guns should be good and prices reasonable. Sweden had confirmed that there was no middleman and no money was paid in Swiss bank. The Prime Minister said Government would not hesitate to enquire into any matter provided there was a basis for doubt. He maintained that Bofors guns were good and met the requirements of the Army."

The misreading of what the Indian Prime Minister was reported to have said (as summarised in the official press release) was conveyed from India, and the report served inadvertently as the basis for making further inquiries in Stockholm with the press secretary of the Swedish Prime Minister, Mr. Carlsson. The purpose of this was to discover what the official Swedish reaction was and what further steps the Government of Mr. Carlsson intended to take. The press secretary to Mr. Carlsson told THE HINDU's Special Correspondent: "The Indian Prime Minister called the Swedish Prime Minister a few days ago and the Swedish Prime Minister made no such guarantees or assurances in that telephone call. It was a very short courtesy call. There were no questions asked about this matter. There have been no other direct contacts between the Prime Ministers on this matter."

The Swedish radio was also asked for its reaction to the latest development. The radio's news section, basing itself on the information conveyed by THE HINDU from India through its Special Correspondent, obtained a reaction from Mr. Carlsson himself to the effect that he had just one contact with Mr. Rajiv Gandhi (during the recent period) and this was a telephone call during the Easter holidays, a courtesy call. The Swedish Prime Minister said, according to the radio's news section, that Mr. Rajiv Gandhi had regretted that Sweden had a problem with reports about Bofors, but did not ask any questions about "clarifications" or the circumstances. The radio also informed THE HINDU that Mr. Carlsson had said to it that he did not give any "promises" or "assurances" to Mr. Rajiv Gandhi and did not comment on this (the Bofors) matter.

THE HINDU regrets the inaccuracy involved in the report published, which served as the basis for a response from the Swedish Prime Minister in Stockholm to what the Indian Prime Minister was reported to have said in New Delhi, but did not actually say; and for any wrong impression or implication conveyed through this misreading of a sentence.

Clarifying in the Rajya Sabha (April 28) what he had said and meant in his address to the Army commanders on the Bofors deal, Mr. Rajiv Gandhi said that the reference to "no middlemen" came during his talks with Mr. Olof Palme in 1985-86 and not during his brief April 23 telephonic conversation ("really just a courtesy call") with Mr. Carlsson. Secondly, "I would like to reconfirm that the Swedish Government has told us recently.... that there are no middlemen, as confirmed by Mr. Olof Palme to me, and that Bofors has reconfirmed this to them. I did not attribute at any time this statement to Prime Minister Carlsson.... What we had asked the Swedish Government was to check and tell us if there had been any violation of the commitment that had been made to us by the Swedish Government. The commitment was that no middlemen would be used in that deal and no payments would be made. I would like to reiterate.... that so far we have got no specific information from the Swedish Government.... We must give them a chance to give us an answer and a response."

Gandhi Speech to Commanders

Madras THE HINDU in English 29 Apr 87 p 7

[Text] The following is the text of the press release on the Prime Minister, Mr. Rajiv Gandhi's address to the Army Commanders, issued on April 27:

"The Prime Minister, Mr. Rajiv Gandhi, warned the country about the new challenges posed to the country's security by Pakistan's acquisition of sophisticated weaponry and its nuclear programme as well as by the growing influence in Sri Lanka of foreign elements hostile to India.

"Addressing the six-monthly conference of Army Commanders in New Delhi, Mr. Gandhi declared that in no circumstances would our Armed Forces be made to fight under a disadvantage. The Government knew how to deal with the situation.

"The Prime Minister said that India wanted to settle the boundary question with China through peaceful negotiations so that a just and satisfactory solution was reached.

New challenges

"The Prime Minister pointed out that Pakistan was spending increasingly larger sums on its military forces. Even more disquieting was the growing sophistication of its weapons. He described the latest U.S. package of military assistance as a really formidable package. This challenge threw on us the responsibilities to be prepared.

"Recent Pakistani statements also confirmed what we had long known—that Pakistan was rushing headlong towards becoming a nuclear-weapons State.

"India did not consider this as a mere bilateral or regional issue, the Prime Minister said. It was a global issue as it would pose a new threat to peace.

"In an hour long speech, the Prime Minister reviewed the security environment in the sub-continent and also covered the international developments. Referring to the talks on disarmament in Geneva the Prime Minister expressed the hope that this would lead to a new Summit and pave the way for a meaningful disarmament.

"Closer at home, the Prime Minister observed that the Soviet Union was keen to pull out from Afghanistan, but every time there was a glimmer of hope, it seemed to be snuffed out. India was firm that the solution must provide for an independent and non-aligned Afghanistan with credible guarantees against outside meddling. Unfortunately, insurgent activities had been stepped up and Pakistan seemed to have a vested interest in keeping the Afghan problem alive.

"Referring to China, Mr. Gandhi said India and China were two major nations in Asia, our endeavour must be to settle the border dispute peacefully. India wanted to maintain peace and tranquility all along the Sino-India border and she was fully aware of the historical responsibility in this regard. But at the same time we must be careful not to be taken by surprise on our border.

Sri Lanka problem

"About the situation in Sri Lanka, the Prime Minister said there could be no military solution to the ethnic problem. The stepping up of activities by the Sri Lankan Armed Forces did not help the search for a political solution. The Prime Minister called on all concerned to begin negotiations in a positive spirit on the basis of the December 19 proposals. It was in the interest of all that killings in Sri Lanka should stop and the problem be settled. He expressed concern over the involvement of outside forces in Sri Lanka and the increasing visits of outside naval vessels.

"The Prime Minister emphasised the need for self-reliance and said it was imperative to go for more and more indigenous production. If India was to be a major power, there must be a shift in our defence development. The Seventh Defence Plan had earmarked 22 per cent of the allocation for modernisation. The Defence Plan should be viewed from a wider perspective and should be integrated in the national Plan.

"Mr. Gandhi said the nation was proud of its Armed Forces and their role both in war and peace. Our Armed Forces were among the best in the world. Today the challenges before them were much more than at any time. As the country became economically strong and followed an independent foreign policy, there would be more pressure on us. He expressed the hope that the Armed Forces would build the strength to meet the challenge.

No middlemen in arms deals

"The induction of sophisticated equipment in our Armed Forces would call for upgradation of training process. And this must be started from now. About

the controversies over some arms deals, the Prime Minister said we cannot allow our Armed Forces to be demoralised by the spread of any disinformation. We must be very firm about this. There would be no shift from the clearly laid down procedures for selection and purchase of equipment. Middlemen and non-governmental agents were ruled out. We would see those who violate the rules were brought to book.

"The Prime Minister pointed out that the negotiations and purchase of 155 mm Swedish howitzer were meticulously handled. He reiterated that he had made it clear to the Swedish Prime Minister, Mr. Olof Palme, that there should be no middlemen, the guns should be good and prices reasonable. Sweden had confirmed that there was no middleman and no money was paid in Swiss Bank. The Prime Minister said Government would not hesitate to enquire into any matter provided there was a basis for doubt. He maintained that Bofors guns were good and met the requirements of the Army.

"The Defence Minister Mr. K. C. Pant said as a necessary corollary to security environment, it was essential that we maintain our Defence Forces at the peak of operational efficiency. He said a major thrust had already been given to the modernisation of equipment and training in the Army. The modernisation covers all its arms.

"Government have accepted and improved upon the recommendations of the Fourth Pay Commission in respect of the Armed Forces. He said the Army had continued to do its best both in active operations and in its peace time role. The Army had been providing assistance whenever called upon to do so to the civil administration.

"The Defence Minister said our security environment had perhaps never caused so much anxiety since Independence as it did today and consequently, the need to remain vigilant was perhaps never so great as it was today.

The Minister of State for Defence, Mr. Arun Singh, referred to the high morale of our officers and jawans and said this was a distinct force multiplier. Equipment and doctrine could never replace the faith and morale of the Forces and added, in this respect India certainly had an edge over others."

Discussion In Parliament

Madras THE HINDU in English 29 Apr 87 p 9

[Text] The Prime Minister, Mr. Rajiv Gandhi, today "reiterated to the nation" from the floors of Parliament that the Government was not hiding anything and would not hide anything about middlemen or secret payments into Swiss bank by Bofors as alleged by the Swedish Radio.

Mr. Gandhi reassured the members that the Government would place before Parliament the report of the Swedish Government which was now making an inquiry to find out if there was any "violation" of the assurances given to him by the late Prime Minister, Olof Palme, that there would be no middlemen in the contract given to Bofors for the supply of 155 mm field guns.

The reiterations by the Prime Minister came when agitated Opposition members confronted him with copies of THE HINDU which in its lead story datelined Stockholm controverted a statement which Mr. Gandhi averred was "misquoted".

The Prime Minister said a section of the press had misquoted what he told the Army Commanders conference here yesterday.

"They have taken that misquotation to the Swedish Prime Minister and asked him certain questions. So I would like to clarify," Mr. Gandhi said and went on to say:

"What I said at the Army Commanders conference was I did talk to the Swedish Prime Minister on this issue. The Swedish Prime Minister that I talked to was Palme and this we have made clear in the House also. I had told him (Palme) that we do not want any middlemen involved. This was confirmed back to me by Palme that no middlemen would be involved.

Given in answer to debate: "The present Swedish Government has confirmed this to us and that we have given to the House. It was given in the answer to the debate that they have confirmed that I had asked the Swedish Prime Minister Palme that no middleman should be involved.

The Prime Minister said:

"They have now confirmed before the last debate that Bofors had confirmed to the Swedish Government that no middleman would be involved and they had confirmed that Olof Palme had confirmed back to me that no middleman would be involved.

"So we are very clear on that position and that has been made clear to us by the Swedish Government just recently.

"I did not attribute any remarks to Prime Minister Carlsson either in the House here or during the Army Commanders conference. I did speak to Prime Minister Carlsson on the 23rd April but it was a very short conversation.

"It was only thanking him for all the efforts that the Swedish Government had taken during the Easter holidays because it was special holiday period there where they had mobilised Government and got the offices opened and got certain clarifications done for us. It was only to thank him for that."

The Prime Minister went on:

"I would like to reiterate that we have asked the Swedish Government to carry out an inquiry into this. We asked them to do it on the 21st April. This was also made known, I think, not in this House because we had not got a confirmation back from them. We had asked them earlier. We got a confirmation back and this was made clear in the Rajya Sabha.

"If I remember correctly the debate in the Lok Sabha was on the 20th and in the Rajya Sabha it was on the 21st. So on the 21st it was clarified in the Rajya Sabha.

"Once more I would like to reiterate to the House and to the nation that we have not yet got any specific information. The newspapers keep saying that they have information."

(Interruptions)

Mr. Rajiv Gandhi: I am answering you.

Mr. Speaker: Order, order. What are you people doing?

(Interruptions)

Mr. Rajiv Gandhi: You hear me out. Then you get up.

(Interruptions)

Mr. Rajiv Gandhi: Let me finish. We cannot ep-

proach the Swedish bank. We can approach the Swedish Government and I have just read the date on which we have approached the Swedish Government and we have asked them for a clarification.

Mr. Basudeb Acharya: He (Prime Minister Carlsson) has denied it (as reported in THE HINDU).

(Interruptions)

Mr. K. P. Unnikrishnan: You asked the Prime Minister?

Mr. Rajiv Gandhi: No. I talked to the Prime Minister after this. We have got a confirmation from the Swedish Government before the date that I talked to the Prime Minister.

Mr. Unnikrishnan: Through diplomatic channels?

Mr. Gandhi: Yes, through diplomatic channels we have asked.

On record: "It is on record that they will go into it and they will give it to us. We have further clarified from them that we would ask their permission that we would like you (Opposition members) to look into it and we would also like permission to place it before our Houses of Parliament whatever they tell us because we did not want to get something from them and expose it here without getting clearance.

"So, that has been one of the conditions to which they have agreed.

"So, there is nothing we are hiding in this. We have asked for an inquiry. The question is.....

(Interruptions)

Mr. Speaker: What is happening in the House? Please do not behave like that. Please listen to him.

Mr. Gandhi: Let me finish. I have not finished. You see we have asked the Swedish Government—what has been said in the press, I do not have the cutting with me at the moment. If I remember rightly..."

Mr. Basudev Acharya: Here it is.

Mr. Gandhi: If you give it to me, I will read out what I am trying to say.

Mr. Somnath Chatterjee: This is real democracy.

(Mr. Acharya passed on the copy of THE HINDU to the Secretary General and Mr. Gandhi came forward to collect it).

Mr. Gandhi: You see what this particular cutting has said.

An Hon'ble member: Which newspaper is it?

Mr. C. Madhav Reddi: THE HINDU.

Mr. Basudev Acharya: Not *Indian Express*.

Mr. Gandhi: Please listen carefully. Please listen. It says:

"When the Swedish Prime Minister's office was contacted, they said this: that Prime Minister Rajiv Gandhi in the telephonic conversation had not asked for 'X', 'Y', 'Z' clarifications and all that..."

Mr. Gandhi said: "I am not claiming that in the telephonic conversation we have asked. The telephone conversation was only to thank for what they have done.

"We have asked through diplomatic channels. We have asked Government to Government and we have got it on record. We do not want to do anything more than that. There is no question of trying to hide or suppress something.

(Interruptions)

Mr. Gandhi: Please let me conclude.

Mr. Speaker: Why don't you (some Opposition members) sit down?

(Interruptions)

Mr. Gandhi: Please listen. I will read this piece again.

(Interruptions)

Mr. H. A. Dora: Read the last para, Sir.

(Interruptions)

Mr. Gandhi: "... from the Swedish counterpart in the recent telephonic conversation and none had been given."

This is referring specifically to the telephone conversation.

Mr. Saifuddin Chowdhary: Whether anything has been given or not?

Mr. Rajiv Gandhi: I am telling you we have asked for it. I have given you the date on which we have asked for it. If you want the telegram number also, I can get you the telegram number also.

Mr. Speaker: No, not now. When it comes, I will place it before you.

Mr. Gandhi: Now let me reiterate once again. We have asked the Swedish Government. We are waiting for a response from the Swedish Government. I don't know the procedures that the Swedish Government has to go through. So I cannot comment on why it has taken them seven days to do something. Government procedures do take time. Let them do it. I have no doubt.

Mr. Indrajit Gupta: What precisely have you asked them to find out for you? Because only the Swedish Government can find out whether the money has been paid into the bank.

Mr. Gandhi: I will tell you what we have asked for. We have asked them to find out if there has been any violation of the commitment given by the Swedish Government to us that no payment has been made to middlemen or other agents and things like that. That is what we have asked them to find out specifically.

Mr. Gandhi went on to add: "It is very very clear."

Mr. Unnikrishnan: Here he (Prime Minister Carlsson) says that no commitment has been given.

Mr. Gandhi: On the telephone. I am reading that to you. On the telephone no commitment has been given.

(Interruptions)

Mr. Gandhi: Let me finish. Then you can start shouting again.

Mr. Unnikrishnan: You are only aware of our shouting. You are totally unaware of the shouting on the other side. I am sorry... (Interruptions from Congress-I members).

Mr. Gandhi: Let me just reiterate. We are waiting for information from the Swedish Government. The minute we get information, we will take action and we will show you that we have taken action. Let me also reiterate once more that the press on numerous occasions have said that they have this information, they have that information. Now we have gone over, I think—I do not know—for ten days or two weeks of this: "We have this and we have that."

Mr. Gandhi went on: "We have not got any information from the press except this sort of irresponsible reporting about who has done it.

"First they said politicians, then they said officers, now they are saying no officers, no politicians, it is somebody else.

"If the press has something, for heaven's sake let them give it to us. We will take action and show you.

Leaves in a hurry: The Prime Minister then left the House in a hurry. Angry protests from Opposition benches followed.

Mr. Basudeb Acharya: He (Mr. Gandhi) has not replied to our questions.

Mr. H.K.L. Bhagat (Minister of Parliamentary Affairs): He has gone to the Rajya Sabha right at this moment.

Mr. Speaker: There is no debate. For God's sake, do not get agitated. He had to go to Rajya Sabha.

Mr. Madhav Reddy then gestured to his party (Telugu Desam) members and walked out followed by Mr. Acharya and members of his CPI-M group.

Other Opposition members did not join the walk out.

Reply in Rajya Sabha: Replying to the clarifications sought by members in the Rajya Sabha, Mr. Gandhi said the Government was perturbed by the issues

being raised by newspapermen abroad on the basis of "unsubstantiated" facts.

He said though the Swedish and Indian Governments and Bofors themselves had confirmed there was no middlemen involved in the gun purchase deal, the media, particularly Swedish Radio, had failed to give details of the allegation.

Mr. Gandhi said the Indian Embassy was contacted immediately after the matter was reported over Swedish Radio on April 16. Indian Embassy personnel were told by the radio that they hoped to get some details. They also confirmed that the report originated in Delhi.

The correspondent concerned was traced in Delhi with a request that he give details about the allegation if he had any.

After being approached on a number of occasions, the correspondent said "I cannot give any details as I have no details," Mr. Gandhi said.

Mr. Gandhi said it was surprising that the correspondent did not use the information he had for "some time." It was unusual for a correspondent to do so.

Moreover, the correspondent was given a visa to enter India in November, 1986 but he came only on April 14, raising the question "why now."

This might be because some resignation had taken place over the Fairfax issue, the Prime Minister said.

Earlier, leaders of different Opposition groups in the Rajya Sabha pointed out the contradictions in the statements of Mr. Rajiv Gandhi and the Swedish Prime Minister, Mr. Ingvar Carlsson on his Government's commitment on the involvement of middlemen in the Bofors deal.

Mr. Gandhi said the statement attributed to him was "not absolutely accurate." Though the official press release was "correct" there was a slight distortion in the press.

Mr. Gandhi said he had talked to the then Swedish Prime Minister Olof Palme in January 1986 who had confirmed that there would be no middlemen in the Bofors deal.

This had recently been confirmed by the Swedish Government, Mr. Gandhi said.

The Prime Minister, however, said that on April 23 he had spoken to the present Swedish Prime Minister only to thank him for all that the Swedish Government had done to clarify the issue.

Mr. Gandhi said on April 21 the Swedish Government had confirmed that they would look into whether there had been any violation of their commitment that there would be no middlemen.

He said the Swedish Government should be given a chance and the minute "we get any information we will take hardest possible action."

Mr. Gandhi said some evidence should come from the Swedish Government, the press and even the Opposition to enable the Government to take action.

As the members wanted to elicit more detailed information from the Prime Minister, the Chairman, Mr. R. Venkataraman, said the members would be free to seek any information during a discussion on the Defence Ministry tomorrow.

As the Prime Minister did not make any *suo motu* statement, no further information could be elicited from him, Mr. Venkataraman said.

Earlier, Mr. Venkataraman informed the House that a large number of Opposition group leaders had given notice to raise the matter of contradiction in the statements made by Indian and Swedish Prime Ministers.

Mr. Dipen Ghosh (CPI-M) referred to some newspaper reports and said efforts to hide the truth would only lead to more speculation. Such things also eroded the credibility of the nation.

Mr. P. Upendra (TDP) said a strange and unfortunate situation had cropped up in the country where the statement of a foreign Prime Minister had more credibility. .—UNI

/13104
CSO: 3400/779

PAPERS REPORT DEVELOPMENTS IN FAIRFAX CASE

Singh, P.K. Kaul Remarks

Madras THE HINDU in English 6 Apr 87 p 1

[Text]

NEW DELHI, April 5.

The Defence Minister, Mr. V. P. Singh, today not only justified the hiring of a foreign agency for purposes of inquiry into the illegal accounts of Indians abroad, but also hit back at his critics within the ruling party for their 'motivated' comments.

According to the details available here of Mr. Singh's informal talks with correspondents on board an IAF plane, while returning from Visakhapatnam, he dealt with various aspects of the Fairfax episode, now the subject of a raging controversy—like the mode of payment to the agency and the charge of divulging secret information on sensitive matters to a foreign firm with doubtful antecedents. He assumed full responsibility, he said, of what he had cleared and constructive responsibility for what his officers had done during his tenure in the Finance Ministry.

Obviously, Mr. Singh sought to clarify his remark in the Lok Sabha "that I do share the responsibility", which was interpreted to mean that some other person or persons too were responsible. He wanted to make it clear that he owned full responsibility for his decisions as a Minister.

Economic intelligence, he explained, was basically a matter of contact and India's capacity to collect information abroad being limited there was nothing wrong in hiring an American firm. And since illegal transactions were alleged to have been conducted in the U.S., should an Australian firm been engaged? There was nothing immoral, illegal or unusual about a Government having to 'buy' intelligence or engaging a foreign firm, according to him.

He dismissed the criticism that secret information could have gone to the CIA on two counts. One, there was nothing secret about information on economic offenders and two, the CIA would not wait for Fairfax to collect information of use to it. By implication, it meant that the CIA had its own operations and would not be depending on this agency.

Dealing with the question of payment to Fairfax, he explained the practice in the U. S. where lawyers and other agencies worked on percentage basis and not on the basis of fees. From what he said it followed that payment was made by the clients only if results were achieved for them. (In this case, the Government had already stated that no payment was involved because the information received was not of use).

Without identifying his critics in the party, Mr. Singh said he was "happy that those who were sitting in the comforts of their houses when Mrs. Gandhi faced handcuffs and left her in the lurch during 1977-80 period are now talking about party loyalty". He intervened in the Lok Sabha debate, Mr. Singh said, because "my leader, who never objected to any probe, was under attack".

He could say all these things emphatically because he was speaking the truth, Mr. Singh remarked.

NEW DELHI, April 5.

The Indian Ambassador in Washington, Mr. P. K. Kaul, is known to have communicated to the Prime Minister, Mr. Rajiv Gandhi, that the Indian Embassy was not consulted about the hiring of Fairfax Group Ltd., by the Enforcement Directorate of the Finance Ministry.

This confirms reports here that the Enforcement Directorate kept the Indian Embassy in Washington in the dark over hiring the agency to probe the overseas operations of Reliance and possibly some other Indian business houses. The reports here say that when the Director of Enforcement, Mr. Bhure Lal, visited Washington in late 1986, he did not consult anyone in the Embassy, including the Ambassador, on the step that has triggered the whole political controversy. It is said that Mr. Kaul's advice was not sought on the choice of the investigative agency (as 'informer' or otherwise) by Mr. Bhure Lal even though he had a meeting with him.

The bypassing of the professional and diplomatic resources of the Indian Embassy which, in the normal course of things, might have been expected to be consulted by the Finance Ministry on the selection of the investigating agency is causing fresh speculation in political circles here on two questions. First, why was Fairfax Group Ltd. singled out of a host of detective agencies in Washington by the Enforcement Directorate? And second, on whose recommendation was the step taken?

Opposition leaders here have indicated that they are going to pursue this further in the Lok Sabha on Monday. They will seek explanations for the Indian Embassy being kept out of the picture and will try to gain fresh information on why the hiring of Fairfax Group Ltd. appears to have been shrouded in mystery.

CPI Resolution

Calcutta THE STATESMAN in English 7 Apr 87 p 9

[Text] NEW DELHI, April 6.—The Central executive of the Communist Party of India has alleged that the reference of the Fairfax issue to two Supreme Court judges for inquiry was "a motivated and diversionary attempt to gag Parliament."

In a resolution the CPI said: "It is an affront to Parliament and to democratic public opinion to conceal the truth regarding the relations between the Government and the Fairfax company of the USA in the matter of investigating blatant violations of FERA and illegal accumulation of money abroad by Indians, including big business houses and prominent individuals and to cover up such illegal accumulations keep abroad.

"The Government's conflicting statements and their repeated contradiction by the chairman of Fairfax company have rightly made its conduct suspect in the eyes of the people. The truth must be brought out, as also the fact about illegal money kept abroad".

It demanded that the inquiry should be entrusted to a committee of Parliament and all relevant documents made available to it.

PTI adds, from Aurangabad, The Bharatiya Janata Party is not satisfied with the announcement made by the Prime Minister that a judicial inquiry will be held into the "Fairfax episode, BJP general secretary, Mr Pramod Mahajan, said here today

A Parliamentary committee should be appointed to probe the matter and submit its report within three to four months, Mr Mahajan said. A judicial inquiry would take a very long time and finally the Central Government may not publish its report, he observed.

Probe Planned, Speaker's Ruling

Madras THE HINDU in English 7 Apr 87 p 10

[Text]

NEW DELHI, April 6.

The proposed probe of the Fairfax episode by a Supreme Court judge will be held under the Commissions of Inquiry Act, and its findings will be placed on the table of the Lok Sabha. This was announced by the Minister for Parliamentary Affairs, Mr. H. K. L. Bhagat, in the House after the Speaker, Mr. Balram Jakhar, gave his ruling on the notices of several motions—for breach of privilege against the Minister of State for Finance, Mr. Brahm Dutt, as also for discussion on the Government's decision on the inquiry, announced by the Prime Minister, Mr. Rajiv Gandhi, on Friday. According to Mr. Bhagat, the notification on the appointment of the commission, too, will be tabled in the House.

Mr. Bhagat's announcement filled a major gap in the earlier decision. According to official explanation (outside the House), the Cabinet which approved the proposal for an inquiry last week did not have the time to settle other details. These were finalised by the Political Affairs Committee of the Cabinet yesterday. The terms of reference will be made known soon.

According to the Prime Minister's announcement, a sitting judge of the Supreme Court, to be named by the Chief Justice of India, will inquire into the cases connected with 'the question of utilising the Fairfax group of the United States of America'.

The Speaker ruled out the notices of privilege motion against Mr. Dutt on the basis of 'discrepancies' between Mr. Dutt's statement during the discussion on the Fairfax episode on March 31, read in conjunction with the interview of the Fairfax President, Mr. Michael Hershman.

The Speaker, who had referred these notices to Mr. Dutt said: The Minister, in his reply dated April 5 1987, pointed out that the only basis for the allegation was a news item published in a daily paper purporting to be a statement of a foreign national. The Minister has stated that whatever he had said in reply to the debate in the House was based on the information and on the records available with the Government and there was no attempt or intention on his part to conceal the facts or to mislead the House.

Every Minister is a Member of Parliament, is part of Parliament and responsible to this House. Once he makes a statement on the floor of the House it is presumed that it is made out with a full sense of responsibility and it is to be accepted as such unless incontrovertible evidence to the contrary is brought before the House. I find that in the present case the Minister's statement is sought to be controverted only on the basis of certain statements by certain individuals as published in the newspapers. In the absence of any authentic evidence, I have to rely on the Minister's statement on the floor of the House. There is nothing to prove that the Minister made an incorrect statement

or one deliberately to mislead the House. As such, I rule out all notices of breach of privilege on the subject'.

Several privilege notices: The following is the text of the Speaker's ruling:

Honourable members, I have received several notices of privilege under Rule 222 as well as under Direction 115 in regard to the statements made by the Minister of State for Finance on the question of engaging the services of a foreign agency, namely Fairfax Group, of the United States. I have also received several notices under Rules 184 and 193 demanding a discussion on the subject or/and on the statement made by the Prime Minister in the House on April 3.

Earlier, in response to the notices received under Rule 193 from Prof. Madhu Dandavate and Mr. Jaipal Reddy and Mr. Ram Bahadur Singh on March 24, I allowed a discussion on the subject on 31 March because I strongly felt that such a discussion could not be barred and Parliament was entitled to know the full facts in the possession of the Government. In reply to the discussion, the Minister of State for Finance had clarified the position and had tried to answer the various points raised by members.

Subsequently, newspapers published reports of an interview purported to have been given by the president of the Fairfax Group. On April 3, Mr. Jaipal Reddy and Mr. E. Ayyappu Reddy gave notices under Direction 115 pointing out what, according to them, were discrepancies in the Minister's statement read in conjunction with the aforesaid interview. I also received notices of privilege from Prof. Madhu Dandavate and Mr. Madhav Reddy on the same subject. I referred all those notices to the Minister of State for Finance for comments. The Minister, in his reply dated April 3, pointed out that the only basis for the allegation was a news-item published in a daily purporting to be a statement of a foreign national.

'No attempt to mislead': The Minister has stated that whatever he had said in reply to the debate in the House was based on the information and on the records available with the Government and there was no attempt or intention on his part to conceal the facts or to mislead the House.

Every Minister is a member of Parliament, is part of Parliament and responsible to this House. Once he makes a statement on the floor of the House it is presumed that it is made with a full sense of responsibility and it is to be accepted as such unless incontrovertible evidence to the contrary is brought before the House. I find that in the present case the Minister's statement is sought to be controverted only on the basis of certain statements by certain individuals as published in newspapers. In the absence of any authentic evidence, I have to rely on the Minister's statement on the floor of the House. There is nothing to prove that the Minister made an incorrect statement or one deliberately to mislead the House. As such, I rule out all notices of breach of privilege on the subject.

So far as notices under Direction 115 received from Mr. Jaipal Reddy and Mr. E. Ayyappu Reddy are concerned, the Minister of State for Finance has reiterated in his letter of April 6, that what he had said was based on the information available with the Government in the Finance Ministry.

Conduct deprecated: As members are aware, the Prime Minister made a statement in the House on April 3, announcing the appointment of a sitting judge of the Supreme Court to go into the entire affair with a view to set all controversy at rest. After the Prime Minister's statement, several members stood up and wanted some clarifications. I pointed out that in the light of the specific provisions of Rule 372, I could not allow any question to be raised. However, several members from both sides of the House continued to speak without my permission. I strongly deprecate the tendency on the part of the members to stand up in groups and impede the orderly conduct of business. This is most deplorable. In such a situation, the observations of the members cannot be recorded. While there is no question of expunction on my part of any portion of the members' speeches in such situations, nothing that is spoken without my permission can form part of the record of the House. I take this opportunity once again to clarify this position and would seek members' cooperation in the matter.

After the Prime Minister's statement, I have received a notice of privilege under Rule 222 from Mr. Bhattam Sriramamurthy. I have also received notices under Rule 184 from Mr. Somnath Chatterjee and 25 other members seeking to discuss the issue. Notices under Rule 193 have also been received from Mr. Amal Datta, Mr. Madhav Reddy, Prof. Madhu Dandavate and nine other members.

The points raised by the members in these notices are: "(A) by appointing a judge to inquire into the matter, a discussion on the subject in the House is intended to be parried;

"(B) instead of instituting an enquiry by a sitting judge of the Supreme Court, a parliamentary committee be asked to go into the entire affair.

As I have already said and I reiterate, this House is fully entitled to discuss all matters of public importance involving ministerial responsibility to this House. I, therefore, find that notices under Rule 184 and 193 for discussion on the Prime Minister's statement are both admissible. I leave it to the House to have a full discussion on the Prime Minister's statement either under Rule 184 or under Rule 193. So far as I am concerned, the discussion can be held rightaway if the House so desires. But before the discussion starts, if the Government desires to further clarify the statement made on Friday, they may do so.—PTI

Panel's Terms of Reference

Madras THE HINDU in English 7 Apr 87 p 1

[Text] NEW DELHI, April 6.

The following is the text of notification S.O. whereas the question of utilising the Fairfax Group Inc. of the United States of America has been the subject matter of debate and it is a definite matter of public importance.

And whereas the Central Government is of the opinion that it is necessary to appoint a commission of inquiry for the purpose of making an inquiry into such matter to set all controversies at rest.

Therefore, in exercise of the powers conferred by Section 3 of the Commissions of Inquiry Act, 1952 (60 of 1952), the Central Government hereby appoints a commission of inquiry consisting of. Mr. Justice M. P. Thakkar, Judge, Supreme Court of India, Chairman, Mr. Justice S. Natarajan, Judge, Supreme Court of India, Member to inquire into the matters specified in Paragraph 2 below.

The commission shall inquire into the events and circumstances leading to the arrangements entered into with the Fairfax Group Inc. and in particular, shall look into the following specific aspects, namely:

(1) Was the Fairfax Group Inc. engaged?

(2) If so, (a) The facts and circumstances under which it was engaged, (b) What is the nature of the engagement?, (c) Under whose authority was it engaged?, (d) For what purpose was it engaged?, (e) On what terms and conditions was it engaged? (f) Was it competent to carry out the task entrusted to it?

(3) (a) Was any payment authorised to be made to the Fairfax Group Inc.?, (b) Was any payment made?, (c) If so, for what services?, (d) What information, if any, has the Government of India received from the Fairfax Group Inc.?, (e) What information, if any, has been made available by the Government of India to the Fairfax, and was the security of India prejudiced in any manner in making such arrangements?

The commission shall complete its inquiry and submit its report to the Central Government within a period of three months and the same shall be laid before Parliament.

And whereas, the Central Government is of the opinion that, having regard to the nature of the inquiry to be made and other circumstances of the case, all the provisions of sub-section (2) sub-section, (3) sub-section , (4) and sub-section (5) of Section 5 of the Commissions of Inquiry Act, 1952 (60 of 1952), should be made applicable to the commission, it hereby directs, in exercise of the powers conferred by sub-section (1) of the said Section 5, that all the provisions of the said sub-sections (2), (3), (4) and (5) of that section shall apply to the commission.—UNI

'Foreign Hand' Theory Considered

Bombay THE TIMES OF INDIA in English 7 Apr 87 p 8

[Article by Girilal Jain]

[Text] ONCE again, the "foreign hand" theory has been put forward in aid, if not on behalf, of the incumbent Prime Minister in connection with the Fairfax affair and once again it has generally been poohpoohed. Indeed, it is precisely because Mrs Indira Gandhi talked of a "foreign hand" whenever she was facing serious difficulties at home that the popular reaction in the present case is one of scepticism.

For all we know, the theory may be wholly unfounded. It is quite possible that the aides and supporters of the besieged Prime Minister may have thought of this device in order to discredit or discourage those who are pressing the attack on him. It is equally plausible that the detractors, opponents and rivals of Mr V. P. Singh, one of the major actors in the Fairfax drama, have invented the theory with a view to embarrassing him. But some measure of caution may be in order, especially at this stage when we know so little about the matter.

I for one have been taken by surprise by subsequent disclosures from time to time. For instance, I did not believe that the CIA was involved in the overthrow of Prince Sihanouk in 1970 because from whatever angle I studied his policy and behaviour I came to the conclusion that he was America's best

bet in the given situation in Indo-China. I was proved wrong. The CIA was definitely involved in his overthrow.

CIA Involved

But for a variety of reasons I was so allergic to the conspiracy theory that once again on the occasion of the overthrow of President Allende of Chile in 1973 my first reaction was to reject the proposition that the CIA had arranged the coup against him. Incidentally, Mrs Gandhi said so. Needless to recall, American newspaper investigations have established the CIA's role beyond question.

For my own education, even these events were, however, not of central importance. The response of Americans, directly or indirectly involved in shaping policy or public opinion, to the assassination of Mrs Indira Gandhi has taught me a great deal more. I happened to visit the United States soon after the assassination. Most Americans I met made no attempt to hide their relief, though many of them knew that I had broadly supported Mrs Gandhi.

This, of course, only establishes widespread American antipathy to Mrs Indira Gandhi. It by no means proves that the CIA was in any way party to her assassination. But it does raise the question whether the CIA could have been wholly inactive during her tenure of office if she was such a distrusted and possibly feared individual in the United States.

Mrs Gandhi might have been paranoid. She might have used the "foreign hand" plea in order to divert attention from her own failures. But surely she had cause to be distrustful even if most of us were not aware of her reason. I for one still find no rational justification for the American reaction to her unless they are so self-centred that they just cannot grasp the simple and obvious point that an Indian Prime Minister, whatever his or her personal inclination, just cannot afford to pursue policies made in Washington.

Separate questions got mixed up in our minds in respect of Mrs Indira Gandhi. Because many of us had our own reasons to be distrustful of her, we took it for granted that she was inventing externally-inspired conspiracies. This is a natural human tendency. But obviously it is not logical. The two could be true at the same time. Let us examine briefly the Akali agitation leading to "Operation Bluestar" which in turn led to her assassination.

Her critics concentrated on her own actions such as the dismissal of the Akali ministry in Punjab in 1980 and the support Mr Sanjay Gandhi and Giani Zail Singh provided to Bhindranwale in the early stages of his political career to make the point that she was responsible for the crisis in the state. They paid no attention to her plea that Pakistan and possibly some other foreign agencies were active behind the scene. Her supporters did the opposite. They emphasised the foreign involvement and ignored her own share of the responsibility. Clearly, both sides were wrong because both took a lopsided view of the reality.

This lopsidedness was not peculiar to this specific case. More often than not it just does not occur to us that it is precisely when a leader runs into serious trouble at home because of incompetence, or arrogance, or lack of moral rectitude or some other impersonal reason such as the failure of the monsoon and the consequent rise in prices, for example, that a hostile foreign agency feels encouraged to become particularly active. And if that combination takes place, the leader has to cope with both fronts.

One-Track Policy

Mrs Gandhi never produced the necessary evidence. Perhaps she did not possess evidence which could be convincing. But it also needs to be borne in mind that she could not afford to make it public even if she had it. There was no alternative to the policy of non-alignment and that policy required that she did not give up the attempt to befriend the United States. America too could not, for its own reasons, pursue a one-track policy of hostility towards her. But that is a different story which does not concern us at present.

I cannot overemphasise that my intention is not to suggest that Mr Rajiv Gandhi is a victim of a conspiracy with or without external ramifications. All that I wish to indicate is that we should not rush to any conclusion and that we should wait till enough reliable and verifiable details are available. Indeed, even then it may at best be possible only to piece together the story of the Fairfax affair. This underscores another difficulty in dealing with a conspiracy theory, which deserves attention.

A conspiracy theory conjures up the picture of a sinister figure (or agency) who masterminds the whole operation. The reality may often be a messy affair. In this specific case, it almost certainly is. From what we know, it seems obvious that different actors in the drama have been pursuing their separate purposes and that many of them would have no interest in provoking for Mr Rajiv Gandhi the kind of crisis he has been confronted with.

It would, for example, be difficult to believe that Mr R. N. Goenka, chairman of the *Indian Express* group of newspapers, or Mr S. Gurumurthy, financial adviser to the group and author of articles on Reliance Industries, or Mr Nusli Wadia, chairman of Bombay Dyeing which is Reliance's rival, would have been looking for a head-on clash with the Prime Minister. Apparently, things have got out of control at some point. But it does not necessarily follow that someone may not have jumped into the act to give it a twist in a direction suitable to him. No such evidence is available yet. But it could materialise subsequently.

On the face of it, it appears wholly unlikely that Mr Rajiv Gandhi has already incurred America's displeasure to such an extent that it would actively engage in an attempt to overthrow him. Even if it is possible that CIA operators and even mentors have come to feel or perhaps believe that he cannot deliver India, as without question they expected him to do, it does not look as if they have settled on his successor and it is highly unlikely that they would wish to remove him from the office of Prime Minister unless they have chosen a successor.

This does not dispose of the destabilisation theory. It can well be argued that though the Americans have not yet decided to overthrow Mr Gandhi, they may wish to weaken him sufficiently so that he does not go in for nuclear weapons, harass Pakistan and lean on the Soviet Union. That too seems improbable, though America's honeymoon with Mr Rajiv Gandhi is clearly over, as is evident from the $15-million cut in the measly $50-million proposed aid to India by a congressional committee with a huge majority and back-tracking by Washington on the agreement to sell to India the Cray-2 supercomputer. But that cannot rule out the possibility that someone might have thought it advisable to acquire "information" which may be "useful" at some stage.

Dangerous World

We cannot identify that someone since the chairman of Fairfax has said in so many words that his firm was not asked to and did not look into the affairs of Mr Ajitabh Bachchan which are at the heart of the current controversy in view of Mr Amitabh Bachchan's close friendship with Mr Rajiv Gandhi and Mr Ajitabh Bachchan's alleged partnership with some Italians with strong connections in India. That someone may or may not be linked with an external agency. He could well be an arms dealer who may be aggrieved because he has missed a big order. We live in a complex and dangerous world and we Indians tend to get taken in rather easily.

I have been a consistent critic of the Prime Minister's leadership style and indeed of his broad approach to issues and individuals and I am not about to retract that criticism. Indeed, I am convinced that Mr Rajiv Gandhi is himself largely to blame for the present turmoil. But that is no reason for not examining the possible ramifications of the Fairfax affair.

/13046
CSO: 4600/1621

TENSION ARISES ALONG ASSAM-NAGALAND BORDER

Calcutta THE TELEGRAPH in English 9 Apr 87 p 7

[Article by Wasbir Hussain]

[Text]

Golaghat: The situation along the Assam-Nagaland border over the boundary question has once again reached a crisis point. Even as the Naga violence of June 1985 is fresh in the minds of the Assamese settled along the border, Nagaland has created a new subdivision called 'New Land' well inside Assam's territory. This has led to tension in the area and fear among the villagers on the Assamese side. The Nagaland education minister, Mr Shikiho Sema, inaugurated the controversial subdivision on February 10. Besides this, there are reports that Nagaland is constructing roads and setting up police outposts "within Assam."

New Land is about 15 km from the CRPF-manned outpost of Rengmapani which, an Assam government spokesman said, falls under the Rengma reserved forest near Sarupathar in the Golaghat subdivision of Jorhat district.

The Assam chief minister, Mr Prafulla Kumar Mahanta, has demanded the Centre's immediate intervention in resolving the dispute. Assam has also lodged a "strong protest" with the Nagaland government over the creation of the new subdivision "by encroaching upon" its territory. However, Mr Mahanta said, "We have not received any positive response from Nagaland towards resolving the crisis."

Going by past experience, the situation could turn violent if the tension is allowed to escalate, with the Assamese at the receiving end. Even during the virtual border war at Merapani in Golaghat subdivision in June 1985, over 20 Assam policemen were killed while hundreds of villagers on the Assam side were rendered homeless. According to the Assam government's white paper published after the clashes, Nagaland Armed Police (NAP) personnel openly sided with the Naga attackers.

Continued depreditions by Naga encroachers on the Assamese villagers had led the Assam government to request the Centre in 1971 to resolve the border dispute permanently by conducting a survey along the 434-km stretch of the Assam-Nagaland border. Accordingly, on August 7, 1971 the Centre appointed Mr K.V.K. Sundaram as its adviser on the issue. Both the state governments then welcomed the Centre's move and agreed to accept the Sundaram committee's recommendations. In 1972, both Assam and Nagaland signed four interim agreements as advised by Mr Sundaram to maintain a status quo till a final settlement was arrived at. Mr Sundaram's interim report in 1974 was followed by a final one two years later. The Assam government accepted the recommendations while Nagaland refused to do so since the committee had rejected its claim of 4,973.16 sq. km of Assam's territory.

New Delhi has remained silent on the issue and has apparently failed to compel Nagaland to abide by the Sundaram committee's recommendations. Ever since, there have been frequent clashes along the border.

/13046
CSO: 4600/1625

INTERVIEW WITH JANATA PRESIDENT CHANDRA SHEKHAR

Calcutta THE TELEGRAPH in English 10-11 Apr 87

[Interview with Janata president Chandra Shekhar by Tushar Bhatt in New Delhi; date not specified]

[10 Apr 87 p 6]

[Text] The Janata Party Cannot Endorse What Mr Rajiv Gandhi and Mr Barnala Are Doing

Q: What is your view of the situation in Punjab today, as compared to three or six months ago?

A: The situation is deteriorating fast, everyday. I think the more efforts are being made to solve the Punjab problem, the more complicated it gets because of the wrong perspective from which (the Centre) is trying to understand and deal with it. If you take it as a law and order problem, you are bound to reach a wrong conclusion. Rightly or wrongly—I am not justifying it, just saying it—there is a certain tradition of the Sikh religion. If that tradition is attacked, people's feelings are hurt and I think the feelings (of the Sikh community) have been hurt. We should try to assuage that feeling.

I cannot say about the hardcore terrorists—who may be few—but the general Sikh masses are sore about the whole thing. If you do not understand this basic reality of the situation and go on holding jamborees, it is not going to make any impact on the people, nor is it going to make any significant dent on the terrorist problem.

Q: Why has the Janata Party dissociated itself from the all-party campaign in Punjab?

A: The Janata Party has not dissociated itself. I do not know how such an impression has been created. I was of the view that this type of campaign is not going to be of any consequence or bring about the desired results. But an invitation was given to the Janata Parliamentary Party which decided to join this campaign. When Mr Madhu Dandavate asked me I said you should join the campaign although I had my serious doubts that it would be of any help. But any effort should be supported if it takes us nearer the solution.

Mr Surendra Mohan was asked to go to the first meeting in Chandigarh. The whole tenor of the speeches made there was that Mr Barnala was the only saviour of Punjab. What was agreed to in the joint meeting of the Opposition with the Prime Minister was that they will only confine themselves to attacking terrorism and violence and not go into the merits of the problem in Punjab. Because on many issues many of the Opposition parties did not see eye to eye with Mr Barnala or with Mr Rajiv Gandhi.

The other factor was that in spite of the fact that Mr Surendra Mohan was there, the local Janata Party was not invited by the state government. Subsequently, Mr Surendra Mohan submitted a note saying that this type of effort was not going to make any impact on the problem and that the local unit was not being consulted.

Thereafter, when Mr Dandavate was contacted by Mr Buta Singh, he said our state party president would attend the meeting and he should be invited. They did not send him the invitation and so it was not possible for him to go. Nobody from Delhi could go. Other parties were there with local representatives, they did not raise any objection. But that the Janata should be associated at the national level only and the state level leadership should not be invited, was not a proper thing for them to do. In these circumstances, nobody from the party went.

The other thing is that the Janata Party cannot endorse Mr Rajiv Gandhi's Punjab policy. He has made a mess of the whole thing from the very beginning. The Janata Party will have to preserve this right for itself while trying to cooperate in every step that is against violence, against terrorism, against oppression, against tyranny. On these questions we can join hands with anybody. But he (Mr Gandhi) cannot get a clearance from the Janata Party for what he has done.

Mr Gandhi said in Parliament that the Opposition has nothing to say about Punjab because all of them have accepted the government's policy and cooperated. It is the ruling party which has gone back on the understanding that was made with the Opposition. The Janata Party never boycotted the all-party campaign. The Janata Party cannot endorse what Mr Gandhi and Mr Barnala are doing.

Q: This gives an impression that you seem to think that Mr Rajiv Gandhi is a worse problem than terrorism in Punjab. Would you comment?

A: I do not say that he is a worse problem because Mr Rajiv Gandhi is not a problem for me. Mr Rajiv Gandhi is a problem for the future of this country. It is very difficult to compare between two vices. Mr Rajiv Gandhi is a person who soon after becoming Prime Minister of the country silently, and without having any prick of conscience, allowed the murder and assassination of 3,500 people in Delhi. Whatever others might be saying, I am convinced (about this) because I was at that time in Delhi. I was very much involved in trying to pacify people at that time.

Later, Mr Gandhi made a statement that if a big tree falls something like this happens. A person who can be so ruthless and heartless, who has no compassion and sympathy for innocent human lives, cannot be expected to deliver the goods for a country like India. So in my opinion, Mr Rajiv Gandhi is a calamity for this country. I do not want to compare him with terrorists because terrorists at least risk their lives. Mr Rajiv Gandhi does not even do that.

Q: The all-party rallies have been attracting large crowds. How do you look at this phenomenon?

A: I know about crowds and let us not talk about it. Even if it is one lakh, two lakhs, (I know) how they are managed by the government. I have seen in the pre-Emergency days and even after the Emergency. I have also seen many big crowds where people have not been supporting the Janata Party. So crowds can be managed by a ruling party, with a little expense.

The Punjab problem is not going to be decided by crowds, but by a sympathetic, compassionate understanding of the psyche of the people, which is injured. If you want to create mob frenzy you are playing into the hands of terrorists. You are not trying to solve the problem.

Q: You have been advocating that a rapport should be created with the people in order to heal the wounded Sikh psyche. Now how do we do it, if not by these rallies?

A: You should understand that at no stage were the general masses of Sikhs involved in these activities. It is

a determined hard-core that takes to violence and it is not influenced by these rallies. They (terrorists) do not come to these rallies, nor have they any faith in the leaders who deliver sermons there. No sermon is going to make any impact on them.

In such situations, you should have mutual discussions and dialogue. What I am suggesting is not new. It has been done with Laldenga. It has been done with (the) dacoits of Bhind and Morena. It has been done in many other situations in this country and elsewhere in the world.

The other thing is that there is a new tendency: Whatever we do not like becomes anti-national. This tendency is alienating people more and more. We should not try to judge everybody's patriotism according to our own understanding. Everybody is a patriot unless and until it is proved otherwise. If some people are on the wrong path, my attitude is that we should try to persuade them to come on the correct path.

Q: Who would you invite to participate in this dialogue?

A: Anybody and everybody who can help.

Q: Specifically who?

A: That I cannot answer. This answer is to be provided by the government because it has been saying that there are only a few hundred, or two thousand terrorists. I am not in a position to give details.

Q: But, broadly, would you think of inviting, say, Mr Darshan Singh Raagi?

A: Yes, of course. Why not? Raagi, Badal. I do not take them to be anti-national or unpatriotic. They are as patriotic as we people are.

Q: Then, the representatives of the All India Sikh Students Federation...

A: I do not know what is their set up. But if they have a set-up and if can be approached, they should be invited. You see, Damdami Taksal, or Sikh Commandos, these are entities which are known to us only through the government or the newspapers which are fed information by the government. I do not know their real existence, their strength, their real nature of organisation. So I cannot say whether they are in a position to send representatives or not.

But why not Raagi? Why not Badal? Why not Tohra? Why not the people who can be identified and who are in a position to send their representatives? But we cannot invite them for talks and also go on branding them anti-national. There should be some pause, some respite. I shall appeal to those who are engaged in violence that they should also provide such an opportunity.

The Prime Minister has a responsibility and duty to the nation also: to tell people about the Jodhpur detenus. I was not the person who made the promise for their release to Longowal. I don't say they should be released forthwith, although in my opinion there are many among them who are innocent and there is no reason to keep people in detention without trial. If the Prime Minister has valid reasons, is it not his duty to take the nation into confidence? Or, at least take Mr Barnala into confidence? It is not only the terrorists who are demanding their release. Mr Barnala is demanding it everyday

You know, how things get worse. We know about the character of the Akali Dal. It was formed in 1920. Its Constitution says only the Sikhs can be members of this organisation. They were in the independence struggle. For 18 months, they sent satyagraha jathas against the Emergency. The Janata had a coalition government with them at the Centre and the state. On one occasion or the other, the Congress has also taken their cooperation. With the same Akali Dal president, Mr Longowal, with the same constitution, Mr Gandhi signed an accord. For the first time a Prime Minister signed an accord with a private citizen.

I hope at that time he knew the character of the Akali Dal. In every situation, we knew it; we knew its set-up. We tried to accommodate it, we tried to cooperate. Then all of a sudden there is a hukumnama against Mr Barnala and they become a communal force.

Those not in favour of Mr Barnala become communal, those in favour of Mr Barnala and Mr Gandhi are secular. This type of discrimination will further alienate people. Within Punjab the people understand this game. This game is bound to be exposed. The nation will have to pay a very heavy price for this.

Q: You have spoken of the dialogue with dacoits in Bhind and Morena. This requires a contact to be made. There was JP at the time.

A: Somebody in whom they (the government) have faith, or someone like Baba Amte, who is not a politician, should be given the right to contact the terrorists, that in this particular area the police will not go as long as Amte is trying to contact the terrorists. When JP tried to contact dacoits in Morena or the rebels in Nagaland, it became possible only with the clear consent and total cooperation of the government of India. Today how can you contact terrorists if they are always apprehensive that they can be killed or arrested? Somebody, some person of peace, like mother Teresa, should be allowed (to make overtures).

Q: You think it is impossible to eliminate terrorism from Punjab by force?

A: I think so, because terrorism in general has been very difficult to eliminate all over the world and terrorism which is based on religious fanaticism is more dangerous and more powerful. This is my assessment.

Q: Would you say that the terrorists should drop the demand for Khalistan?

A: I think that anybody demanding Khalistan should not be given any quarter. I think that terrorists must not talk about it, they should give up this demand of Khalistan. I do not know how many of them demand Khalistan, but those who do should understand that they are serving neither the cause of the nation nor their own.

Q: Then those who demand Khalistan should not be included in the dialogue?

A: Even if they are demanding, they should be asked to say that Khalistan is a wrong thing. But I will tell you something. Only today we are so touchy. Some years ago there was a demand in Tamil Nadu for a sovereign state and a respected leader, Annadurai, had said it in Parliament "We want a separate nation." Nobody branded him anti-national. We tried to persuade him, discuss with him, tried to tell him it would not do anybody any good. That persuasion has succeeded and today nobody talks of secession in Tamil Nadu.

This has happened in this country. We forget so easily about things that have been done in the country. So I say that even if they demand Khalistan, if we can approach them we should tell them it is ruinous for them and disastrous for the country. What have Laldenga and the rebels in Nagaland been doing? We have talked with them.

Q:So this should not be a precondition? They can be talked out of making secessionist demands?

A: Yes, that is right.

Q: Would you volunteer to establish contact, given all the facilities?

A: No, I shall not volunteer because neither have I any faith in the intentions of Mr Gandhi nor Mr Gandhi has any faith in me. So it is impossible for me to volunteer for this task. I want to be very frank with you. I think this government does not want to solve the problem. I may be wrong, but it would not be fair or proper for me to volunteer.

Q: Will the situation worsen?

A: It has reached a point where anything may happen. How soon, how long it will take (for matters to come to a head), I cannot say. But the situation will not improve with this attitude of the government.

Q: But if it does not worsen it may be all right with the rulers.

A: Maybe, if they remain rulers for a long time. For every ruler, as long as there is power it is okay. But the tragedy of power is that the rulers think power is just under their thumb, while it slips away, and in a very tragic manner. I do not want that to happen here.

[11 Apr 87 p 8]

[Text] A United Opposition Will Not Solve All Problems. But at Least It Will Keep the Country Together

Q: Mr Chandra Shekhar, what significance do you see in the poll victories of the Left Fronts in West Bengal and Kerala?

A: It means that the people are getting disenchanted with the party in power at the Centre and are in search of an alternative. So, to that extent, this is a good development.

Q: But that also would mean that the CPI(M) is emerging as a national alternative.

A: I cannot jump to that conclusion. But it surely means that the CPI(M) has emerged as a strong force in Kerala and West Bengal and this is not the first time. The CPI(M) has ruled Kerala earlier too.

Q: The Janata Party too has joined the government in Kerala though you have an almost pathological hatred of the communists. How do you explain this?

A: No, who told you that? I was always for joint functioning with the communists, and in 1977 during the Janata regime I had the best of relations with the communists. I do not know how such things spread.

Q: But their hostility towards you has never ceased, has it?

A: That I do not know. Ask some of the communists. I cannot say all the communists are like that. There have been some hostile persons—not only in the communist parties but other parties as well—but they are only individuals. I do not think that as parties, they have anything against me. Sometimes I wonder why people are so concerned about me when I do not concern myself about others.

Q: Perhaps it is your former Praja Socialist Party (PSP) background. The PSP was pitted against the communists.

A: I do not think so. It is not the PSP background. Even if I do not say anything, do not make news, even then my name gets in the media.

Q: The Janata executive has spoken of a national alliance. Can you elaborate?

A: The executive said that things are getting worse every day. We should try to awaken the people's conscience on this matter, and we should take the support and cooperation of all the Opposition parties.

Q: Does it mean a repetition of the pre-1977 victory Janata experiment?

A: I cannot say. Situations cannot always be repeated. I do not know how things will turn out. But surely not only the Opposition parties, but all those who think about the future of the country should raise their voices unitedly against the present rot that has set in the government.

Q: Would the last mentioned category—all those who think about the future of the country—include some within the Congress(I) itself?

A: Of course. Why not?

Q: But that also was the pattern in 1977. The call then was for a united fight against Mrs Indira Gandhi.

A: In 1977, the country was on the brink of fascism. At least because of the elections the country was saved from fascism. Today the country is on the verge of disintegration. This at least would be stopped. I do not say that all the problems would be solved, but if this young man continues as the Prime Minister, he will be the root cause of the disintegration of this country. If he is defeated, if he is out of power, at least the country's integrity and unity would be intact. Mr Rajiv Gandhi and his policies constitute the greatest danger to India's unity. This is my opinion.

We were on the brink of fascism at that time (in 1977), we are on the brink of disintegration today. So it is a fire-fighting operation. I do not say that a united Opposition will solve all the problems of the country. But at least it will be

able to keep the country together.

Q: So to your mind the situation now is far worse than it was in 1977?

A: That is what I say.

Q: But you also have in the Opposition fold people like Mr Bahuguna and Dr Subramaniam Swamy who are capable of frustrating unity efforts.

A: When I talk about the national problems and the national situation, I do not take individuals into consideration. I would not have talked about Mr Rajiv Gandhi had he not been the Prime Minister. It is not my way of thinking. Individuals do count, but their significance is very limited, howsoever powerful they may be. So I do not think that individuals should be discussed in such situations. The contribution of any individual, whatever it may be, should be taken into account.

Q: But the Bahuguna factor appears to be the main reason why the Ajit Singh faction of the Lok Dal has been supported by the Janata.

A: That is not the question. The reality is that the Opposition should contest unitedly in Haryana. We have been saying it time and again. Devi Lal has not approached us or talked with us. Ajit Singh talked with me. And I said we should work together for the Haryana election. If Bahuguna or Devi Lal also want to join, they are welcome.

Q: But how can you align yourself with both the factions?

A: If you can talk of having unity with the BJP, and rope in others, why not?

Q: What do you think the outcome of the Haryana election will be, if it is held in June?

A: I see no chance for the Congress. There is only a very remote possibility of their winning. Going by the people's mood today, I think the Congress would be routed.

Q: In recent weeks, the emergence of the Bahuguna Samaj Party (BSP) has been noted as significant. Do you see any prospect of the backward classes going away from the established political parties?

A: That will depend on many factors. The scheduled castes have supported the BSP in a very significant way. How far other backward classes will go is a matter about which an assessment is yet to be made. And it will also depend on the attitude of the other Opposition parties.

Q: Do you see the BSP gaining in strength in the days ahead? Or is it only a passing phenomenon?

A: I cannot say. It will depend on their overall perspective. If they want to base themselves just on hatred, it will be a temporary phenomenon. But if they go into the basic problems and adopt a strategy whereby the common man's problems are presented the movement will stay.

Q: How do you view the emergence of farmers' power in the form of Mr Sharad Joshi's movement in Maharashtra or the Kisan Sangh in Gujarat?

A: That means that the rural sector has been neglected for quite some time. This is the prevalent feeling and the farmers are fighting for their just demands and better prices. When an attempt is made to transform this into a political entity, I do not know if it will have the same strength as is visualised today. All political movements have to have some political instrument. Even the Janata Party movement had to have it. All these 'kisan' movements will have either to choose a party or form a new party. In a parliamentary democracy, you cannot do without a political party.

Q: Do you see any prospects of a rural India versus urban India political confrontation?

A: In a vast country like India, any simple formula will not hold. But this phenomenon is getting to be a disturbing trend. People in rural areas have begun to think they are being neglected. That may create an antagonism which may turn to be rural-versus-urban. But our urban centres have a lot of rural population too, so I do not think that this is going to cause any serious problem. But this disparity between rural and urban areas will cause anxiety for some time.

Q: Would you call for a refashioning of strategy by the established political parties in view of the BSP stir and the farmers' agitation?

A: I do not say only because of this. What was our intention during the freedom struggle? Remember Gandhiji talked of 'gram swaraj'. Unfortunately, they have forgotten everything that Gandhiji said. More than 70 per cent of the people live in villages, and if you do not keep this in mind the situation will not only get complicated, but the very effort of development will be jeopardised.

/13046
CSO: 4600/1629

PAPERS REPORT CPI NATIONAL COUNCIL MEET, SEN OUSTER

Report on Resolutions

New Delhi PATRIOT in English 11 Apr 87 p 5

[Text]

The National Council of the CPI has called for taking the all-party campaign against terrorism in Punjab to the grassroot level to isolate the anti-national Khalistani elements.

Welcoming the initiative in this regard which the CPI has been stressing for last two years the Council in a resolution adopted on Punjab situation said that all-party rallies organised at several places had highlighted the need to bring about complete separation of religion and politics.

The resolution has condemned the use of coercion, arson and terrorism by the Punjab extremists to divide the people and terrorise the minority community by launching a so-called campaign against liquor, tobacco, meat and haircutting. In the grab of religious and social reform it was another despicable act of the terrorists and must not be allowed.

The CPI has once again repeated its call to the Government to take initiative and build a national consensus on the implementation of the Punjab Accord, in the spirit in which it was signed.

The Council in another resolution passed at its four-day meeting alleged a wholesale rigging by the official machinery in Patti bye-election in Pratapgarh district of UP to ensure the victory of the Congress candidate.

The resolution has called upon the Chief Election Commissioner to inquire into the rigging and to set aside the election. The Opposition parties had boycotted the election on the polling day afternoon in protest against large scale rigging by the UP Government official machinery.

Meanwhile, a delegation of the North-Eastern regional committee of the pay on Thursday met Prime Minister Rajiv Gandhi and urged the Central Government to initiate speedy development of the region.

The delegation accompanied by leader of the CPI in Parliament Indrajit Gupta said in the memorandum that the North-Eastern region had been neglected, exploited and discriminated against which had resulted in its backwardness.

The Committee has demanded the North-Eastern Council to be strengthened with more power in regard to planning and development. It has suggested regional plan to be drawn up in coordination with the concerned states in the region.

All round development in power, roads, communications, industry and other infrastructural facilities have been demanded by the CPI's north-eastern committee.

The committee has also demanded to set up a regional council for national integration to work against separatist communal, secessionist forces and for maintaining brotherly relations among the states. It has welcomed granting of full statehood to the erstwhile union territories of Mizoram and Arunachal Pradesh.

Mohit Sen Dropped

Bombay THE TIMES OF INDIA in English 11 Apr 87 p 9

[Text]

NEW DELHI, April 10.

MR Mohit Sen, the well-known communist intellectual who was till a few years ago thought to be the CPI's leading ideologue and articulator, has been suddenly dropped from the party's national council.

In the first instance his removal from the CPI's highest body between party congresses is for a year in which period his conduct would be on trial.

The decision to drop Mr Sen was taken at the end of the four-day meeting of the national council which concluded yesterday.

Along with him has also been dropped Mr D. Pandian, a party leader from Tamil Nadu. No trial period has been stipulated for Mr Pandian, who was an exponent of opposing the DMK in Tamil Nadu, tooth and nail.

Both Mr Sen and Mr Pandian had been members of the national council for more than 20 years. For 15 years, Mr Sen had also been a member of the central executive committee of the CPI, from which he was eased out last year.

Among the main charges against him was that he agreed to be a member of an informal 'eminent persons group' set up by the government on the eve of the visit of the Soviet leader, Mr Michail Gorbachov, last November. Others non-official members of the group included Mr P. N. Haksar, Mr Nikhil Chakravarty and Mrs Aruna Asaf Ali.

Mr Sen also invited the displeasure of the party leadership by writing in a periodical recently that India was on the threshold of being a "great" power. The party leadership argued that a "bourgeois" India could not be a "great" power. Only a "socialist" India could aspire to that status.

Mr Sen was also charged with being partisan toward the Prime Minister in the recent controversy between the Prime Minister and the President, when the party's line was to be equidistant between the two.

For some time the CPI leadership has been utterly miffed with Mr Sen's writings in non-party journals. The leadership feels that he goes out of his way to justify the actions of the Congress government. However, he is not a follower of Mr S. A. Dange, the former CPI chairman who had been expelled from the party for being an ardent expositor of the line of "unity and struggle" with the Congress.

Another grouse the national council had against Mr Sen was that he recently appeared in a television discussion programme in which he contended that this year's budget was better than those presented by the Rajiv government in the last two years. He also argued that though the budget was not leftist in character, it aimed at a Nehruvian orientation, and said that even Nehru had not been a leftist.

Mr Sen is believed to have been told bluntly that while he worked for unity with the Congress, the CPI saw itself in a posture of "permanent no-confidence" against the government.

The national council is also understood to have castigated the Andhra Pradesh unit of the party for not going into a non-antagonistic relationship with the Telugu Desam in the recent local bodies and panchayat elections.

Interview With TELEGRAPH Reporter

Calcutta THE TELEGRAPH in English 17 Apr 87 p 7

[Interview with Mohit Sen by Tushar Bhatt; date and place not specified]

[Text]

Q: Why has the CPI leadership dropped you from the National Council

A: Because of two basic reasons. First, they feel that my views are at variance with the tactical position the party has taken. Second, in their opinion I have expressed these views in forms and in media which constitute an infringement of party discipline. The more important one is the first reason: the question of political views. Now, basically the party positions are contained in the party programme. On this there is no difference. The party programme says that we should try to build a national democratic front of all patriotic, progressive classes and forces which, through a revolutionary struggle, would replace all forms of bourgeois

rule, including that of the Congress party by a national democratic government. The point is, how do we proceed from the present situation towards reaching this strategic goal. That is where the difference comes in.

The CPI has been advocating that we have to replace immediately this Congress(I) government by a left and democratic national alternative. On this also there is no difference. The difference lies in how we view this government. Is it a government that is more reactionary than the parties of the Opposition other than the left, or is it a government that is less reactionary? In my view this government to say the least, is less reactionary than the parties of the non-left Opposition. And therefore, the left Opposition cannot join with the non-left to overthrow this government. Secondly, this is a government which pursues an anti-imperialistic foreign policy and is of great use to the world struggle for peace and human survival. On this also there is not much difference; but the importance that I give to this aspect of the government's character is much more than that assigned by the majority of the CPI.

The third point lies in locating clearly the imminent danger which our country and its working people face. In my view, it is that of destabilisation by imperialist forces, acting in concert with reactionary forces in our country—reactionary forces entrenched in the ruling apparatus, and present in the ruling party, but also very much present in the non-left Opposition parties, in the communal forces, in secessionist and extremist forces. In my view, there should be the widest possible partiotic and progressive unity to defeat this destabilisation menace. I give it prime importance and the party gives it only a secondary importance.

Another point of difference is how we fight for the just demands of the people and against the anti-democratic, anti-people policies and measures of the government. Well, it is agreed that we should fight them. But the difference lies in how we do it, in whose company we fight, to what extent we carry the fight and how we integrate this fight with the other fight against destabilisation.

Q: Why does the CPI take, by and large, such a hard line against Mr Rajiv Gandhi's government?

A: The CPI feels that Mr Gandhi's government, despite its sound foreign policy, is following such an anti-people, anti-democratic internal policy that it is becoming the biggest instrument for destabilisation itself. On this, of course, I radically differ.

Q: But has the action against you left you repentant or chastised?

A: No. I do not think it was meant to make me repentant or chastised. I was given full opportunity to express my views, to argue with my comrades and colleagues. Obviously, I failed to convince them and I have to take the consequences thereof. But this does not mean that I have changed my views.

Q: Whatever the consequences?

A: Whatever the consequences.

Q: Do you see any justification in moves for a national alliance against the Congress(I)?

A: Not only do I see everthing wrong in striving for a national alliance against the Congress(I), but I also do not think they (the CPI and the CPI-M) are striving for it themselves. You cannot have a national alliance which eases out the anti-imperialist progressive forces represented by the national party, the Congress(I). I think—if you read the statements of Mr Jyoti Basu and Mr Rajeshwara Rao—they too would not favour a national alternative which would exclude the Congress(I). They want an alternative to the present Congress(I) which also would include sections of the Congress(I).

But you see tactical questions are important. On whose side are you at the moment? On the side of the reactionaries and the CIA? With all your criticism of Mr Rajiv Gandhi, will you be with him against the destabilisers represented

by the CIA or the reactionaries? This is the crux of the tactical difference.

Q: Why don't your colleagues see it in this light?

A: Well, they feel that the more important thing is the misery and hunger of the people—which is undoubtedly there—and that the people's discontent is rising to such an extent that there is no point in having any kind of understanding with Rajiv.

Q: What do you think will happen after a year when the CPI leadership reviews your case?

A: I hope that, by that time, experience will convince them that I was not all that wrong and also that what I was doing was in the best interest of the party itself. And if I am proved wrong, I hope I will have the courage to admit that.

Q: But, in the short run, you do not seem to think that you may be proved wrong?

A: No. I think I will be proved right.

Q: Will you be joining the Congress(I) if you are expelled from the CPI?

A: If I am expelled from the CPI, the one party I will not join is the Congress(I).

Q: Then where will you go? To Mr Dange's party?

A: Well, I cannot go to the CPI-M which is Mr Namboodiripad's party because he will probably have a heart attack if he finds me knocking at the door. And as far as Mr Dange's party is concerned, I opposed the formation of that party. So I would need to convince myself that the formation of that party was justified. I am not yet so convinced.

Q: How do you view the victories of the Left Fronts in Kerala and West Bengal?

A: The election results in Kerala, West Bengal and Jammu and Kashmir are the best thing that could have happened for our country. Everywhere the people have voted as left as they could; in West Bengal for the Left Front, in Kerala for the LDF and in Jammu and Kashmir for the Farooq-Rajiv Front. And I am particularly happy at the victory of the left in West Bengal and Kerala because this gives the left a chance to be nationally responsible.

Q: Does it imply that they have not been nationally responsible so far?

A: Not sufficiently so far.

Q: Could you cite one or two examples of this attitude of the left?

A: Well I expect Mr Jyoti Basu, and the leaders of the LDF in Kerala—Mr Nayanar and others—to be in the forefront of the battle against destabilisation. They have certainly not been in the forefront so far.

Q: What, according to you, is the future of the Rajiv Gandhi government in view of the recent developments?

A: I think the recent happenings have shown that the Congress(I) has more cohesion than many people thought and also (demonstrated) the kind of rot that had set in the Congress government, the corruption, The pettiness, the personal bickerings and all that. All these I feel are the products of Mr Rajiv Gandhi's sins of the past two years which are now coming home to roost.

For example, you cannot say that you are going to follow the economic policy of Pandit Nehru and Mrs Indira Gandhi, and have as chief architect of that policy Mr L.K. Jha and his associates. If Mr Gandhi wants to get out of this crisis, he will have to change not only his policies in internal matters, especially his economic policies, but will also have to radically change the personnel entrusted with the task to carry them out.

Q: Do you think there are many people in the CPI who think as you do?

A: I think there is quite a large number of them, but they do not agree with me in all the details, and I think they do not agree with the way I have been functioning. I think they disapprove, and therefore they agree with the leadership on that point.

Q: But you are not disheartened by this?

A: You see, communists do not get disheartened. Karl Marx died without seeing any revolution. I am much smaller than Karl Marx. My ambitions are also much smaller. But still I hope I have some of the courage he had.

Q: What are your ambitions?

A: My ambition is to see an India which is both a great power and a prosperous country.

PATRIOT Interview

New Delhi PATRIOT in English 14 Apr 87 p 1

[Interview with Mohit Sen by Arindam Sen Gupta; date and place not specified]

[Text] "It is regrettable that instead of retracting from anti-party actions, Mohit Sen has persisted in the same," read Monday's release of *"Central News Service"*, the news agency of CPI, in justification of Mr Sen's removal from the party National Council.

The CPI leader's removal from the Council, say partymen, was not entirely unexpected. Nevertheless, the action against him has brought the spotlight yet again on a group within the CPI which does not agree with the official party line. **Patriot** met Mr Mohit Sen to get his views on the issue.

Q: Why were you removed from the National Council?

A: I was removed for two reasons. First, because of my views and, second, because of the manner in which I have articulated my views. Therefore, you may say I was removed from the National Council because of both political and organisational reasons.

During the National Council meeting, members felt that recent articles written by me, appearing in **Patriot, Link, News Today** and **Amity**, were at variance with the party line. They felt that what I had said during a post-budget interview on TV was also at variance with the line. Moreover, I was criticised for violating party norms by joining the eminent persons group which was formed by the Government during Mikhail Gorbachev's visit.

Though I felt I had neither violated the party line nor party norms, the National Council felt otherwise. Consequently, I was removed from the Council. I may add that it was well within its rights to remove me and I have no cause for complaint. I was also given a chance to explain my position.

Q: And what was that explanation?

A: Well, I told the members that what I had written was not against the party line. But they were not convinced. That is apparent, isn't it?

Q: To which of your writings did the National Council object the most?

A: I had written in **News Today**, dated 15 August, 1986, that India was safe in Rajiv's hands and we should work under his resilient leadership, or something to that effect. Strong exception was taken to this.

Q: Do you believe in what you wrote?

A: I must have felt so.

Q: If that is so, your views indeed appear at variance with the party's. The CPI, if I am right, is working for the removal of Rajiv Gandhi from power and you are asking people to strengthen Rajiv's hands. In any case, could you expatiate on what should be the role of the Left in contemporary India?

A: The basic conflict today, in my opinion, is that of the entire Indian people, including the patriotic sections of the ruling bourgeoisie, against imperialism and internal reaction. This finds manifestation in the need to build a broad anti-destabilisation, patriotic front which will also give priority to the battle for world peace.

The struggle for just demands of the people, the struggles against anti-people policies of the Government, against its compromises with forces of destabilisation, have to be integrated within this priority struggle against destabilisation.

For example, while at this very time there is much to attack against Rajiv's style of functioning, the people around him, the errors committed by him which might have helped the destabilisers, the main battle has to be against destabilisers themselves — people like Ram Nath Goenka, Arun Shourie, the CIA and its agents who have made use of the President and the former Defence Minister.

But if you take our (CPI's) performance in Parliament, the fire is against the Prime Minister, not the destabilisers. This is in contrast to what we are doing in Punjab. There, in the battle against terrorism, our party is in the forefront. It is known today in Punjab as a party of heroes and martyrs. It is waging a battle against

destabilisation there. I feel that our role in Punjab should be repeated elsewhere.

Q: But you would surely agree that Punjab is an extraordinary situation. How is it possible to repeat the party's role in that State elsewhere?

A: Punjab represents the peak point. But shall we wait for the whole country to become like Punjab? There are battles against communalism, secessionism and linguistic chauvinism to be fought elsewhere. These battles have to get integrated with the battle of the Left as a whole.

Q: I reckon you must have justified your views along these lines before the National Council. What was the response?

A: The National Council felt my explanation hid my desire to line the party behind Rajiv Gandhi. I could not convince it that this was not so.

Q: What is your assessment of the Prime Minister?

A: The Prime Minister must be criticised for the people he keeps around him. There should not be any leniency on that score. But the Prime Minister is more than that. I feel he is basically an anti-imperialist. He has raised Indo-Soviet relations to a new level. He has been in the forefront of the peace battle and has put the weight of the country against apartheid. He is also showing signs of returning to the Nehru-Indira framework, even in economic policies. So we should not be uncritically lining up against him.

Q: But your party also feels that Rajiv Gandhi's foreign policy is progressive.

A: Yes, it feels that his foreign policy is progressive but its domestic policies are regressive. So while supporting his foreign policy, the CPI should fight against his internal policies. I felt that that wasn't the case. The two aspects of Rajiv Gandhi were being integrated into a single fight against him.

Q: You mean to say that the CPI leadership is saying one thing and doing another?

A: No. I don't mean that. I mean that there is a variance in the understanding of the party line between me and the leadership.

Q: How many in your party feel the way you do?

A: I am not making any guesses.

Q: Since your removal from the party Central Executive Council last year on similar grounds there has not been any signs that others in the party share your views. Does that mean that you represent a very small section of CPI?

A: It may mean that.

Q: Mr Sen, your understanding of the party line differs greatly from that of the leadership. Your views do not find any significant following in the party. Then why do you remain in the party?

A: I am not in CPI because of reasons of majority or minority following. I am here since 1949 because of my convictions. I am here because I feel that is the only Communist Party in India. I don't want to leave the CPI. But I guess that does not depend on me.

/13046
CSO: 4600/1639

COMMERCE MINISTRY RELEASES FOREIGN TRADE FIGURES

Calcutta THE STATESMAN in English 7 Apr 87 p 9

[Text] NEW DELHI, April 6.—India's foreign trade situation has distinctly improved during the current financial year, according to the annual report of the Ministry of Commerce released here today.

Between April and January, 1986-87, the country's exports at a level of Rs 10,075.45 crores, were 17% higher than exports worth Rs 8,609.64 crores in the corresponding period of the previous year. At the same time, between April and January of the current financial year, imports are valued at Rs 15,909.59 crores, showing only a marginal rise of 1.5% over Rs 15,671.41 crores in the previous year. Consequently, there has been a substantial decline of Rs 1,227.63 crores in trade deficit from Rs 7,061.77 crores during April-January 1985, to Rs 5,834.14 crores during April-January, 1986-87.

The report says that the Commerce Ministry has been engaged in formulating a multi-pronged strategy for the promotion of exports to achieve the goals of the Seventh Plan. The strategy has been to identify products and markets which have a growth potential. A set of policy measures will be formulated for the main export products which would help in the production of goods that are acceptable in international markets and are competitive in price. This strategy emphasizes that while traditional commodities, including agricultural products, must make their contribution to India's exports, the major growth in future has to come from the manufacturing sector and from services.

The report says India now ranks among the few developing countries capable of supplying a wide range of capital goods and equipment. As on December 31, 1986 there were 187 joint ventures, dispersed over 35 countries.

According to the report, UNCTAD VII to be held in July, 1987 would provide an opportunity to discuss problems in the area of trade and development and to arrive at international policy measures to seek solutions to the problems. The major issues proposed for the UNCTAD VII meeting are financial resources for development, commodities, international trade and the problems of poor countries.

/13046
CSO: 4600/1621

PAPERS REPORT ON PAST, FUTURE GRAIN PRODUCITON

Food Department Annual Report

Calcutta THE TELEGRAPH in English 9 Apr 87 p 8

[Text] **New Delhi, April 8:** Procurement of wheat amounted to 10.53 million tonnes in 1986-87, surpassing the 10.35 million tonnes procured during the 1985-86 marketing season. Procurement of rice in the 1986-87 marketing season was expected to be around 9.4 million tonnes. The total foodgrains stock with the public agencies stood at 23.60 million tonnes on January 1, 1987.

These are some of the highlights of the annual report for 1986-87 of the department of food under the ministry of food and civil supplies.

Distribution of foodgrains, the report says, touched a record level of 17.12 million tonnes in 1986 against 15.80 million tonnes in 1985, recording an increase of 8.35 per cent. Several steps were taken to pass on the benefits of the comfortable stock position to the people, particularly to the weaker sections of society. During the June to December, 1986 period, additional allocations of 7.5 lakh tonnes of rice were made. Allocation of wheat was also made as per demands from the states and Union Territories.

Subsidised grains

The report says the scheme for distribution of foodgrains at the specially subsidised rates of Rs 1.50 per kg for wheat and Rs 1.85 per kg for common rice in the ITDP areas and tribal states, launched towards the end of 1985, was continued during the year. Under the scheme, 9.2 lakh tonnes of rice and 9.0 lakh tonnes of wheat were supplied in 1986. It was decided to provide 2.6 million tonnes of foodgrains in 1986-87 through the National Rural Employment and Rural Landless Employment Guarantee Programmes.

The roller-flour-milling industry was delicensed during the years subject to locational restrictions. The mills in the delicensed sector can now produce wheat products without restrictions. The units in the licensed sector were permitted to grind up to 150 per cent of their licensed capacity. The Food Corporation of India sold wheat in the open market at the fixed prices of Rs 205 per quintal for A and B categories and Rs 195 per quintal for C and D categories of wheat.

According to the report, a record quantity of 19.92 million tonnes of foodgrains was moved in 1986 compared to 15.65 million tonnes in 1985. This helped the public distribution system function smoothly to build up an adequate buffer stock and to move sufficient stocks from the procuring states of Punjab, Haryana, Uttar Pradesh and Andhra Pradesh.

Sugar output

The report reveals that sugar production increased to 70.03 lakh tonnes in 1985-86 compared to 61.44 lakh tonnes in the preceding year. It is also higher at

40.15 lakh tonnes up to February 7, 1987 compared to 38.27 lakh tonnes during the corresponding period of the previous year.

The report says the statutory minimum price for sugarcane was Rs 17 per quintal linked to a recovery of 8.5 per cent for 1986-87 against Rs 16.50 per quintal in the preceding year. It has been further increased to Rs 18 per quintal for 1987-88.

The monthly levy sugar allocation to state governments has been increased from 3.13 lakh tonnes to 3.32 lakh tonnes with effect from February, 1987.

The report states that the sugarcane price arrear, which stood at Rs 144.78 crores as on January 15, 1987.

An additional storage capacity of 13.50 lakh tonnes, including 10.25 lakh tonnes for foodgrains, was expected to be created through joint efforts of FCI, CWC and the state warehousing corporations during the year.

Agriculture Department Report

Calcutta THE TELEGRAPH in English 8 Apr 87 p 8

[Text]

New Delhi, April 7: Foodgrains production in 1986-87 is expected to be around 151 million tonnes against the 180-million-tonne target set for the year, according to the annual report of the department of agriculture and cooperation of the ministry of agriculture.

The report says it was possible to maintain higher levels of production despite failure of monsoon during the recent years, signifying the growing resilience in the agriculture sector.

Because of the erratic behaviour of the monsoon, coupled with unprecedented floods in the Godavari delta, there is likely to be a shortfall in paddy production. However, production of coarse cereals is expected to be higher and may offset the losses in paddy output. Moreover, there has been some increase in the acreage under pulses which may result in higher production.

Kharif oilseeds production may also be better despite dry spells in Gujarat, Tamil Nadu, Karnataka and Andhra Pradesh, affecting groundnut production.

The report says a national programme of rainfed agriculture through watershed development has been launched during the year in 16 major rainfed/dryland farming states to increase and stabilise the production and productivity in major parts of the country's land resources.

The special rice production programme for the eastern region has started yielding results. In 1985-86 of the 5.8 million tonnes of additional rice production, no less than 4.5 million tonnes have been contributed by the six eastern states of Assam, Bihar, Madhya Pradesh, Orissa, Uttar Pradesh and West Bengal.

Referring to the national oilseeds development programme to step up oilseeds produc-

tion to 18 million tonnes in 1989-90, the report says the productivity and production of oilseeds are estimated to have gone up by 10 per cent and seven per cent respectively over the 1985 kharif season despite adverse seasonal conditions which reduced the acreage by three per cent. The programme will receive a further boost through technology support provided by the oilseeds technology mission launched in 1986.

Under the national pulses development programme, an outlay of Rs 50 crores has been made for 1986-87 to increase the production of this important protein crop.

According to the report, the food production target by the terminal year of the Seventh Plan has been fixed between 178 and 183 million tonnes.

Taking the mid-point of 180 million tonnes as the target and the tentative achievement of 151 million tonnes in 1986-87, the gap of 29 million tonnes has to be covered during the remaining three years of the Plan at the rate of over nine million tonnes per year.

The report says that the target will be achievable though the prospects are mainly dependent on weather conditions. The major thrust, therefore, would be on better watershed management and optimum utilisation of irrigation potentials.

According to the report, the production target of foodgrains as also of the other major crops for 1987-88 will soon be finalised by the Planning Commission in the light of these factors.

The report farther states that fertiliser consumption has gone up significantly from 1.1 million tonnes in 1966-67 to 8.7 million tonnes in 1985-86.

In 1986-87, it is expected to be about 9.2 million tonnes. A consumption target of 13.5 to 14 million tonnes of fertiliser nutrients is envisaged by 1989-90.

Food Corporation's Arrangements

New Delhi PATRIOT in English 15 Apr 87 p 9

[Text]

Wheat procurement in the country is expected to reach a new high of 11.5 million tonnes during 1987-88 rabi season, reports UNI.

Accordingly, the Food Corporation of India (FCI) has made elaborate arrangements all over the country for wheat purchases from farmers at the minimum support price of Rs 166 per quintal for wheat of fair average quality and Rs 164 per quintal for grade two wheat.

Arrivals of wheat in 'mandis' is expected to pick up soon after 'Baisakhi' which falls on Tuesday.

The major contributors of wheat to the central pool this year will again be Punjab, Haryana and Uttar Pradesh, accounting for over 90 per cent of the total quantity to be procured.

Punjab is expected to contribute around 6.9 million tonnes of wheat to the nation's kitty during 1987-88. Haryana and Uttar Pradesh will give 2.5 million tonnes and two million tonnes respectively.

Jammu and Kashmir, Delhi, Maharashtra, Madhya Pradesh, West Bengal and Bihar are expected to make available small quantities.

The wheat procurement during last year (1987-88) in the country was 10.53 million tonnes, of which Punjab's contribution was 6.48 million tonnes.

According to FCI zonal manager (north) R K Takkar, the procurement drive at support prices will involve payment, within a short period, of about Rs 2,000 crore to farmers. The FCI has opened 8,606 purchase centres for this purpose.

Mr Takkar said wheat production in Punjab during 1987-88 was estimated to be 11.3 million tonnes. The market arrivals this year were expected to be 7.2 million tonnes.

The FCI and state agencies have set a target of 6.9 million tonnes or 95 per cent of the expected arrivals in Punjab in the coming rabi season.

Mr Takkar said the FCI had adequate storage capacity of 7.2 million tonnes in Punjab and arrangements had been made to ensure faster movement of foodgrains from the State. Nearly 967 purchase centres will be operated by procurement agencies in Punjab this season.

In Haryana, wheat production during the current year was estimated to be 5.5 million tonnes and total market arrivals was expected to be around 2.7 million tonnes.

The estimated wheat procurement in Haryana was likely to be 2.5 million tonnes. The FCI will operate 65 purchase centres exclusively and another 38 centres jointly with the State agencies.

Wheat production in Uttar Pradesh during 1987-88 was expected to be 18.2 million tonnes and procurement was likely to be two million tonnes. There would be over 6,600 purchase centres in the State.

In Rajasthan, which has been facing shortages, wheat production was expected to be 3.2 million tonnes in 1987-88. The procurement would be about 150,000 tonnes.

Mr Takkar has said that middlemen in foodgrains trade (arhatis) are still thriving thanks to the farmers, particularly in Haryana and Punjab, who sell their produce only to them.

Arhatis, in turn, sell the produce to the Government agencies, including the Food Corporation of India.

With rabi procurement operations for 1987-88 getting under way, the wheat procurement in the country is expected to be 11.5 million tonnes valued at Rs 2000 crore.

The arhatis will thus earn Rs 15 crore for their services, said the FCI zonal manager (north).

Mr Takkar said in States like Punjab, the role of arhatis had been regulated by legislation.

He said in States where arhatis were an institution, farmers were reluctant to sell their produce to the FCI directly.

"We did open centres in Punjab for direct purchase but no farmer turned up", he said.

He said most of the farmers sold their produce to the arhatis because their ancestors had been doing so. Family friendship between farmers and middlemen were another reason.

Talking about the services of the arhatis, Mr Takkar said "their role in the trade cannot be dubbed as entirely undesirable" in spite of the negative aspect of their services.

/13046
CSO: 4600/1624

MAJLIS CONSIDERS 1987 BUDGET

Budget Examined

Tehran KEYHAN in Persian 7 Mar 87 p 2

> [Excerpts] KEYHAN political service. The open session of the Majlis was chaired this morning by Hojjat ol-Eslam Mehdi Karrubi, the first deputy speaker of the Majlis.
>
> In this session, the 7,368,301,754-rial national budget for 1366 [21 March 1987-20 March 1988] was discussed and examined.

First, Dari-Najafabadi, the spokesman for the plan and budget committee, provided details about this bill and said: The 1366 [1987-88] national budget bill, which was referred to the plan and budget committee as the main committee, was examined in 66 sessions in the presence of various officials and experts and was ratified with some changes.

The major points of note in this budget are:

1. Priority given to the war and providing the rial and foreign currency funds needed for it.

2. Providing appropriate funds to create and complete as many of the shelters and passive air defense systems as possible and at the same time reconstruct the damaged areas and provide aid to those who have suffered damages.

3. Keeping the revenue figures relatively realistic, particularly those from the sale of oil.

4. Setting timetables for developmental projects.

5. Providing foreign currency and rial funds for more than 200 projects to be completed and become operational by the end of 1366 [20 March 1988].

6. Providing foreign currency and rial funds for more than 180 projects which, with the efforts of the implementors of the projects, will be completed and begin operation by the end of 1367 [20 March 1988].

7. Providing the foreign currency and rial funds needed for about 60 important projects.

8. Providing the foreign currency needed for more than 60 important projects which do not utilize the general revenues.

9. Control of current funds, except in cases related to the war, education, universities and higher education institutions, as well as medical science universities.

10. Not decreasing developmental activities and making use of:

A. The government general revenues to provide the needed funds.

B. The resources of the banking system to advance the developmental projects cited in Note 22.

C. Internal resources of capable companies that can use their resources for investments through the imposition of new policies.

D. Facilities created for companies to use one another's financial resources and rely less on the general revenues.

11. Preparation of the budgets of the companies based on the ratifications of the general assemblies, which have taken place for the first time.

12. Allocating appropriate funds to absorb the people's resources as much as possible.

13. Omission of non-budgetary notes.

He then read the text of the single article of the 1366 [1987-88] national budget as follows:

Single Article. The 1366 [21 March 1987-20 March 1988] national budget in terms of revenues and other sources of funds amounts to 7,368,301,754,000 rials, and in terms of expenditures and other payments, amounts to 7,368,301,754,000 rials as follows:

A. The general budget of the government, in terms of revenues and other sources of funds and in terms of expenditures and other payments, amounts to 3,913,059,760,000 rials and includes the following parts.

(1) The general revenues and other sources of funds amount to 3,614,088,541,000 rials and expenditures and other payments from those sources amount to 3,614,088,541,000 rials.

(2) The special revenues of the ministries and government institutions amount to 298,971,291,000 rials and expenditures and other payments from those funds amount to 298,971,291,000 rials.

B. The budget of government companies and for-profit establishments affiliated with the government in terms of revenues and other sources of funds amounts to 3,913,268,247,000 rials and, in terms of expenditures and other payments, amounts to 3,913,268,247,000 rials.

The government is permitted to collect the revenues and other funds cited in Section 3 of this law in accordance with the related laws and regulations in 1366 [1987-88] and to make commitments and pay the expenditures of the ministries and government establishments as well as distribute assistance and other funds that are included in the charts of Sections 4, 5 and 6 and Attachment No 1 of this law, within the limits of the revenues and other sources of funds collected in 1366 [1987-88], in accordance with the related laws and regulations and on the basis of the allocation of funds.

The collection of revenues and payment of expenditures of government companies and for-profit establishments affiliated with the government shall be permissible, with the exception of investment expenditures, the sources of which are provided in the general revenue funds (funds for development projects) and are subject to the general financial and transactional regulations of the government, in accordance with the bylaws regulating the above-mentioned for-profit companies and establishments.

Increases or decreases of the above-mentioned ratified budget figures of the for-profit government companies and government affiliated establishments cited in the charts of Section 8 of this law are subject to the arrangements stated in Note 41 of this law.

Increase of the Budget Ceiling in the Committee

Dari-Najafabadi added: The ceiling of the general and specific government budget, minus the budget of the government companies, is 3,549,755,217,000 rials. The plan and budget ratified ceiling is 3,913,059,760,000 rials, which reflects an increase of 363,304,543,000 [as published] rials compared to the government budget ceiling.

The committee spokesman continued: In the current year, we visited the president, Mr Hashemi, and others, and in connection with the war and the fact that the decision had been made that the budget fund would allocate funds in connection with the war, we asked them to instruct us to include it in the budget bill so that no problems would arise later and we would not need to ask permission from the imam. Rather, the Majlis would take this step itself, to which they agreed.

This year, in connection with the war, the government's figure equals that of 1365 [21 March 1986-20 March 1987], which is, 430 billion rials. The plan and budget committee increased this figure to 660 billion rials, that is, 230 billion rials have been added in connection with the war, provided the implemental organizations respond and remain precisely within the figures for expenditures that are cited for them. No waste or extravagance should take place and control the accounts.

Providing Petroleum Products

He added: In regards to petroleum products, since the revolution, considering the population growth and the increase in machinery and problems related to the war, consumption has increased. In addition, we have also had a problem with regard to the Abadan refinery, which was put out of operation after the war. The figure for providing petroleum products was not included in the 1365 [1986-87] budget law, and the government has used a different method. In 1366 [1987-88], this issue was handled in the form of notes and permission was granted for up to 340,000 barrels of oil per day to be used for the procurement of petroleum products and transporting them from the production point to points of export and from the points of export to the points of entry into the country, and for petroleum to be transformed into petroleum products abroad to be brought into the country. In other words, about $1,958,000,000, that is, about 158 billion rials, has been increased to provide petroleum products.

Tax and Oil Revenues

In connection with tax revenues, Dari-Najafabadi said: The government had projected 1,131,086,622,000 rials, which the committee has decreased to 1,123,458,697,000 rials.

The government ratification in connection with the oil revenues consisted of 672,373,800,000 rials, which the committee increased to 857,440,000,000 rials.

We have also increased other budget revenues. The total of other revenues in the government proposed bill was 451,074,489,000 rials, in which bill the plan and budget committee has made major changes and instructed the government to plan in connection with other revenues and to collect them.

In the area of other revenues, we added 166,515,355,000 rials, a part of which is related to the sale of foreign currency. In connection with the sale of foreign currency, the government has included 120 billion rials, which we increased to 200 billion rials, which means that it may be able to receive 20, 30 or 50 rials to the dollar in new taxes or in another form and to deposit this amount in the treasury. The return on the payments of the previous year was projected to be 50 billion rials, and the plan and budget committee ratified it at 65.6 billion rials.

Expenditures

The spokesman of the plan and budget committee said in connection with expenditures: The amended figure by the plan and budget committee in connection with the payments is the same as the receivables, which is 913,059,760,000 rials. We decreased the investment funds to some extent. The government figure in this connection was 771,680,600,000 rials, which was changed to 702 billion rials in the plan and budget committee. In other words, it was decreased by 69 billion rials. We allowed the Ministry of Energy to make arrangements to collect an apparent total of 60 billion rials

for its receivables and revenues from those who use more than 250 kw and 400 kw [of electricity].

Another figure concerns the Ministry of Petroleum, which is 95 billion rials. We said that for its fixed investments, the Ministry of Petroleum should provide that 95 billion rials, and we would not have to include funds for it in the budget. It would provide this amount by such means as changing the rates. Therefore, we omitted these two major items, the total of which is 155 billion rials, from the developmental investment funds at this stage and we have added certain figures; however, the final figure after all the additions and subtractions will be that same 69 billion rials. In connection with the developmental budgets, we decreased the ceiling of a budget of the government developmental budget. This does not mean that we have decreased the developmental tasks in the country. Rather, we said that in certain areas, they should take steps and act themselves and it might turn out to be even more than 770 billion rials for the developmental included in the government bill. This depends on the capability and ability of these companies in collecting new revenues such that no pressure will be imposed on low-income classes and, on the other hand, accomplishing the developmental and fixed investment projects.

Dari-Najafabadi added: I must point out that the secondary and ceremonial expenditures of the two Ministries, Petroleum and Energy, are a bit excessive. The reduction of those secondary and ceremonial expenditures and the system of payments would be of major importance.

In connection with the current budget, the spokesman of the plan and budget committee said: The total funds for the current budget in the government bill was 2,482,854,311,000 rials, which was ratified in the plan and budget committee for 2,912,084,219,000 rials. The difference is 429,229,908,000 rials.

Expenditures and other current payments are 199,299,908,000 rials, and those related to the war are 230 billion rials, which makes a total of 429 billion rials.

On the whole, we increased the ceiling of the current budget and funds by 363 billion rials.

Continuing his discussion, he referred to the budget of the government companies and said: After the revolution, the budget of the government companies was altogether omitted from the budget and was not even mentioned in the single article of the budget. In the previous years, we mentioned the budget of government companies in the single article as well and calculated their budget. We have about 1,000 government companies. This year, upon our request of the prime minister prior to offering the budget to the Majlis, the budget for the government companies was ratified in the general assemblies of the companies and was included in the budget bill. At the present, the budget of government companies equals that of the national budget.

One of the proposals of the plan and budget committee is that in connection with the payment systems of the country, the government must create cooperatives which would not cause the brain-drain of executives to other organizations. The proposed government budget for government companies is 3,707 billion rials and the ratified budget by the plan and budget committee is 3,887 billion rials. In other words, the ceiling of the budget of the government companies almost equals the government budget.

He added: The 7,700 billion or 7,400 billion rial budget that we now ratify as the general budget of the country equals 50 percent of the gross national product. If we are able to invest and plan for 50 percent of the gross national product, which is essential especially in the foreign currency area, in other words, on the whole, we will be able to guide the economic course of the country toward development and growth.

The spokesman of the plan and budget committee then said: The directives assumed by the committee are summed up in a few main points, which are:

1. The budget that has been presented to the Majlis, considering the present conditions, is reductive and this is one of the positive points.

2. In regards to the budget, it is a scheduled budget, which is another advantage of this budget.

3. Prioritizing the budget to some extent is another of its strong point.

He added: We have divided the projects into one-year, two-year, important, continuing, provincial and national projects, and we have given the government freedom in regards to one-year, two-year and important projects, so that it will take more serious steps to assure that the one-year projects become operational sooner. The two-year projects, too, have also been prioritized and the necessary priority has been given to important projects in terms of foreign and rial currency.

Of the 280 projects last year, 140 projects became operational in 1365 [21 March 1986-20 March 1987]. Unfortunately, with regard to the other 140 projects, they have been delayed. They, too, should have become operational. However, in 1366 [21 March 1987-20 March 1988], they have again been given priority, so that we will not have incomplete projects every year.

In the 1366 [1987-88] budget law, flexibility has been taken into consideration to some extent, which is characteristic of this budget. In connection with the war, it is very flexible, and in connection with some of the other issues as well, this flexibility also exists.

Another characteristic of this budget is that the revenues and expenditures are really relative.

He added: In regards to last year's budget, we said that it excluded the new situation with regard to oil prices. Of course, the government made projections and somehow reduced the ratified ceiling of the budget by 60-70

billion rials. But, unfortunately, in the Majlis, many proposals were made in connection with the increases. We said that these revenues could not be collected. When these increases are made without any controls, later the legislation of the Majlis will be questioned. When we ratify a budget with a ceiling of 3,600 billion rials and in practice there are 2,000 billion rials in revenues, later on, when the executive organizations want to implement it, they will prioritize any way they wish and policy making will no longer be in the hands of the Majlis. Of course, thank God, the government took a positive step and controlled the ceilings to some extent. However, even though it controlled the ceilings and it was concluded with that amendment, supposedly with the permission of the imam.

He added: This year, we have made the revenues somewhat more realistic. We made the oil revenues more realistic, to some extent. We anticipated new revenues. With regard to such items as debts, which were 390 billion [rials] last year, this year, 950 billion [rials] have been included in the budget. I request, especially of the brothers in the Ministry of Plan and Budget and the prime minister, that we never again have such an amendment. Planning should be done now. They should not say next year that they were not informed. Planning should be done now, and we should not have debts in Note 22 for a separate 150 billion [rials]. God willing, the revolving funds of the treasury will be deposited in the treasury.

In other words, [the funds in] Note 1 and the 300 billion rials in revolving funds of the treasury should be deposited in the treasury. We should not consider the revolving funds separately, debts separately, the 150 billion rials in Note 22 separately, and at the end of the year, God forbid Hopefully, the honorable friend will help, so that we do not consider borrowing from the banking system separately more than we have. Rather, either the revenues should be collected or expenditures should be better controlled.

Dari-Najafabadi added: I also request of the representatives of the Majlis that before presenting any proposal, they include and ratify a proper source of revenues, because the budget cannot be stretched any further. Therefore, we tried to make the revenues and expenditures relatively realistic. In any case, regards to the budget deficit, whatever it was, we included it as a large figure in relation to the borrowings.

Budget Approved

Tehran KEYHAN in Persian 18 Mar 87 pp 1, 18

> [Excerpts] KEYHAN political service. The Majlis held sessions yesterday morning and afternoon and, after examining the notes to the budget bill and the presentation of the proposals of the representatives, the budget for next year was put to a vote and ratified.

Report on the Afternoon Session of the Majlis

At 2:30 in the afternoon, the open session of the Majlis was chaired once again by Hojjat ol-Eslam Mehdi Karrubi, the deputy speaker of the Majlis.

First, Dari-Najafabadi, the spokesman of the plan and budget committee, provided details concerning the amendments made in the notes for next year's budget and the total budget in the single article and said: In the budget bill, the amount of 90 million rials has not been included. This amount was added, and we had three projects that were mistakenly included in the 1365 [21 March 1986-20 March 1987] projects, which must be included in Paragraph A of Section 1 for 1366 [21 March 1987-20 March 1988], the funds for which are 650 million rials.

Also, the amount of 300 million rials for the Zayandehrud water network had been omitted, which we added. And 90 million rials were added, which makes a total of 390 million rials in increases. Then, 650 million rials were deducted, the total difference being a deduction of 267 million rials. The total of the changes proposed by the representatives in the budget bill is 58 billion rials, of which 40 billion rials are related to the imposed war, 5 billion rials are related to the Ministry of Health and Medical Education, 5 billion rials are related to the Prime Minister's Office for the bombed cities, 1 billion rials are for the Martyr Raja'i project, 2 billion rials are for the imam's emergency committee, 1 billion rials are for the office of records for changing old birth certificates, 1 billion rials are for the Customs Office, and 3 billion rials are for the tribal development organization, the total of which increases makes up 58 billion rials. When we take 267 million rials from that total, the result will be the total of the increases granted by the Majlis, which amounts to 57,733,000,000 rials.

He added: The plan and budget committee, given the studies that it has made, offers the following proposals in summation to the Majlis to provide this amount.

1. We have increased the car transportation tax by 2 billion rials.

2. We have increased 1 billion rials in connection with the office of records.

3. For traffic police, 500 million rials.

4. For the passport office, 3 billion rials.

5. For abandoned goods, 2.5 billion rials.

6. For airport services, 500 million rials.

7. For beverages, 5 billion rials.

8. In customs duties, 3 billion rials.

9. In commercial taxes, 6 billion rials.

10. Miscellaneous, 833 million rials.

11. Return from the previous year, 4.4 billion rials.

12. Revolution Prosecutor's Office, 22.7 billion rials.

13. Another 5 billion rials were also proposed by the committee to be added to the use of the funds from the banking system and borrowings from the banking system. In other words, borrowings from the banking system, which was 950 billion rials, will become 975 billion rials in this case.

Then, the total changes made by the Majlis in this interval concerned some 57.7 billion rials, and we presented the changes to the honorable Majlis in this manner. We added 25 billion rials to borrowings and 32.7 billion rials to the instances mentioned.

Then, the text of the single article of the 1366 [1987-88] national budget bill was read and discussed as follows:

Single article. The 1366 [1987-88] national budget bill, in terms of revenues and other sources of provision of funds, amounts to 7,426,034,754,000 rials and, in terms of expenditures and other payments, amounts to 7,426,034,754,000 rials, as follows:

A. The general budget of the government in terms of revenues and other sources of provision of funds and in terms of expenditures and other payments amounts to 3,970,792,760,000 rials and includes the following parts:

1. General revenues and other sources of funds, the amount of 3,671,821,541,000.

2. Special revenues of ministries and government establishments, the amount of 298,971,219,000 rials, and expenditures and other payments from that source, 298,971,219,000 rials.

B. The budget of government companies and for-profit establishments affiliated with the government, in terms of revenues and other sources of funds, amounts to 3,913,768,247,000, and in terms of the expenditures and other payments, amounts to 3,913,768,247,000 rials.

The government is permitted to collect the revenues and other sources of funds cited in Section 3 of this law in accordance with the related laws and regulations in 1366 [1987-88] and to make commitments and payments for the expenditures of the ministries and government establishments as well as extend assistance and other funds cited in the charts of Sections 4, 5 and 6 and Attachment No 1 of this law, within the restrictions on the collection of revenues and other sources of funds in 1366 [1987-88], in accordance with the

related laws and regulations and the notes of this law, and based on the allocation of funds.

The collection of revenues and payments of expenditures of government companies and for-profit establishments affiliated with the government, except for the investment expenditures, the funds for which are provided in the general revenues (funds for developmental projects) and are subject to the general fiscal and transactional regulations of the government, shall be permissible in accordance with the bylaws and laws and regulations governing the above-mentioned companies and for-profit establishments.

Increases or decreases in the figures of the ratified budget of the government companies and for-profit establishments affiliated with the government cited in the charts of Section 8 of this law are subject to the regulations in Note 42 of this law.

Then the original text of the single article and 48 notes of the 1366 [1987-88] national budget bill was put to a vote and received final ratification with a majority vote.

The open session of the Majlis concluded at 15:30 in the afternoon and the next session was set for tomorrow.

Our parliamentary correspondent reports that the single article and 48 notes of the 1366 [1987-88] national budget bill was sent to the Council of Guardians for their views.

10,000
CSO: 4640/123

MAJLIS APPROVES AMENDED 1986 BUDGET PROPOSAL

Tehran KEYHAN in Persian 7 Mar 87 p 19

> [Text] Political service. The day before yesterday, the open session of the Majlis chaired by Hojjat ol-Eslam Mehdi Karrubi, first deputy speaker of the Majlis, and the continuation of the session chaired by Hojjat ol-Eslam Mohammad Yazdi, second deputy speaker, were held.
>
> In this session, the details of the amended 1365 [21 March 1986-20 March 1987] national budget bill were ratified.

The details of the report on the continuation of the open session of the Majlis and the pre-agenda speeches of the representatives follow.

In the continuation of the open session of the Majlis the day before yesterday, the details of the amended 1365 [1986-87] national budget bill were discussed.

Hoseyn Harati proposed the amendment of the government in Paragraph A of this bill. Speeches in opposition to and support of this proposal were made, with the committee and the government providing details. This proposal was put to a vote and was not ratified.

Amended 1365 [1986-87] National Budget Bill

Single article. Some of the figures of the 1365 [1986-87] national budget law are amended without changes in the total revenues and other sources of funds. Expenditures are detailed in the following charts, and the government is permitted to implement the above-mentioned law in accordance with the following charts and notes.

A. Amended Chart of Revenues and Other Sources of Funds

Sale of crude oil, petroleum products and liquid gas ratified in 1365 [1986-87], 1,400 billion rials, amended to 740 billion rials.

Commercial profit ratified in 1365 [1986-87], 265 billion rials, amended to 165 billion rials.

Taxes on the sale of cigarettes ratified in 1365 [1986-87], 174,612,800,000 rials, amended to 134,612,800,000 rials.

Sale of foreign currency for necessary uses of organizations and services ratified in 1365 [1986-87], 45 billion rials, amended to 5 billion rials.

Sale of foreign currency exclusively for the import of investment goods, production tools, raw materials and spare parts for construction machinery and factories, ratified in 1365 [1986-87], 100 billion rials, amended to 15 billion rials.

Revenues obtained from the modification of the foreign currency rate ratified in 1365 [1986-87], 40 billion rials, amended to zero.

The principle of government loans abroad ratified in 1365 [1986-87], 47.6 billion rials, amended to 72.6 billion rials.

Use of loans from the banking system ratified in 1365 [1986-87], 390 billion rials, amended to 1,330 billion rials.

Total revenues and other sources of funds ratified in 1365 [1986-87], 2,552,212,800,000 rials, amended to 2,551,212,800,000 rials.

B. Amended Chart of Current Funds

Funds related to the commitments cited in Article 55 of the general accounting law and Paragraph B of Note 25 of the 1365 [1986-87] national budget law, 40 billion rials, amended to 36 billion rials.

C. Amended Chart of Developmental Funds (Fixed Investments)

No 503002. Miscellaneous developmental expenditures ratified in 1365 [1986-87], 16 billion rials, amended to 20 billion rials.

Note

A. The amount of 4 billion rials increase in the funds of Line 503002 (miscellaneous developmental expenditures) can be used without regard for the general accounting law and other laws and regulations, but in observance of the law concerning the procedures for spending funds that, according to the law, are exempt from the general accounting law and other general regulations of the government.

B. The increase of funds in Line 503002 is not subject to Paragraph D of Note 6 of the 1365 [1986-87] national budget law.

The open session of the Majlis ended at 12:10 pm and the next session was set for 8:00 am Saturday, this morning.

Our parliamentary correspondent reports that two questions were received, as follows.

1. The question by a number of representatives to the Minister of Commerce in connection with the legality of the elections of the central council for guilds in Tehran.

2. The question by Dashti, the representative of Rudbaran, from the minister of plan and budget, concerning the omission of the budget for Shirkan water of Bushehr, affiliated with the atomic energy agency.

10,000
CSO: 4640/124

FOUNDATION FOR OPPRESSED SUBMITS BUDGET

Tehran KEYHAN in Persian 18 Mar 87 p 18

[Text] The 1366 [21 March 1987-20 March 1988], 589-billion-rial budget of the Foundation for the Oppressed, including 1 single article and 51 notes, was presented to Engineer Musavi, the prime minister, and the representatives of the imam in the Foundation for the Oppressed.

According to a report by the KEYHAN economic correspondent, the 1366 [1987-88] budget of the Foundation for the Oppressed, in terms of revenues and other received funds of the Foundation and the companies and units under its control as well as the amount of expenditures and other payments of the Foundation and its companies and implemental units, has been estimated at 589,726,376,000 rials.

According to projected figures, the Foundation for the Oppressed in 1366 [1987-88] will pay a total of 11,234,636,000 rials in charitable aid and will invest 26,223,905,000 rials.

These investments include maintenance investments at 467,766,000 rials, the promotion of level investments or large investment projects of the Foundation at 16,572,420,000 rials, investments in establishments under its control and other establishments at 9,183,719,000 rials.

Also, in the projected budget, charitable aid in three parts of the provision of the budget--aid for the cultural affairs of the children of the martyrs, prisoners and missing; aid to the poor and the oppressed; and aid to the battle fronts--mentioning their source, has been determined, which shall be paid upon obtaining the necessary permits by Engineer Musavi, the prime minister, and also Engineer Mazaheri, the director of the Foundation for the Oppressed.

According to this report, in the 1366 [1987-88] budget, of the total of 11,234,636,000 rials in charitable aid, 4,275,000,000 rials will be provided from the general budget funds of the Foundation and 6,959,636,000 rials from the budget of the companies and implemental units under the control of the Foundation.

10,000
CSO: 4640/124

DETAILS OF G.M. SYED'S BIRTHDAY CELEBRATION GIVEN

Karachi JANG (Supplement) in Urdu 23 Jan 87 pp VIII, IV

[Report by Javed Chandio: "Eyewitness Account of J.M. Syed's Birthday Party"]

[Text] In Sind and the surrounding areas fairs, celebrations, and religious ceremonies are common from ancient times. Various ceremonies are held here according to seasons and various seasons are recognized by various ceremonies. Urses [anniversaries of holy figures] are celebrated during the Qamri (Lunar) months and fairs according to the Bikramajiti (Hindu) calendar fall during the months of Sawan, Bhadon, Asoj, Kartik, Chet, and Baisakh (between August and April). These months have their own colors depending on the season. All these seasons have their own special identities. At the time of Urses people from all over Sind gather in one place. Lines of camels become long in desert areas and ox-carts begin to run on dirt roads. Villagers travel on paths with children on their shoulders. They use canoes to ferry people from one side of a river to another. Women get busy adorning themselves with makeup. Chidren are dressed in clean clothes and taken to the tombs of the holy figures. All these traditions are very old in Sind. Shahbaz Kalandar, Shah Abdul Latif Bhatai, Sachal Sarmast, Abdulla Shah Ashabi, Shahi Inayet Shaheed, Hamal Faqir, and Rohal Faqir are but some of the famous fairs. Every town or village has a reason for a fair so people can get together, make noise, play Jhamar and Kabaddi [two of the most popular rustic games], and forget their worries. During this century they have started a new tradition and are celebrating birthdays of a living person. This special day falls on 17 January according to the Christian calendar and marks the birthday of Syed of Sun, Ghulam Martza. He is known as G.M. Syed in Pakistan' political circles.

G.M. Syed's birthday parties are political in nature. When his 84th birthday was celebrated on 17 January, the air was thick with various political rumors. Preparations for the birthday party began 1 month earlier and various statements were being issued. There was a possibility of banning this birthday party as the situation in the country was serious. People were disturbed by the riots in Karachi and Hyderabad and scared hearing about the bomb blasts in Quetta and Peshawar. The guest of honor, Khan Abdul Ghaffar Khan, was not allowed to enter Sind. This year, G.M. Syed had invited important politicians, including those in the ruling Muslim League, from around the country. G.M. Syed explained that the reason for inviting these leaders was to give them an

opportunity to sit down together and find a solution to the problems in the country. This attitude shows that G.M. Syed has changed a lot. Sind government issued orders to move him from Sun to Karachi and even stationed police at his residence in Karachi's Nashtar Park. However, G.M. Syed refused to obey when government officers visited him with the orders. He told them about his old stand that he did not recognize Pakistan! The government failed to move him forcibly because a large number of students and young people had already gathered in his village and use of force could have deteriorated the situation. Majhand police registered a case against G.M. Syed and his 40 associates under Section MPO-13. It was also learned that deputy commissioner and police superintendent of Daud district were transferred to another district. A Jiey Sind Student Federation leader from Karachi told us that had G.M. Syed been transferred to Karachi, the party would have been taken place either in Nashtar Park or Karachi University. G.M. Syed, however, could not be transferred to Karachi.

Despite declaration of Section 144 in Daud district buses full with students from all over Sind had managed to arrive at Sun 2 days before the birthday party. Attendance at various universities was negligible. A large number of students from Sind University, Liaqat Medical College, Chandika Medical College, Mehran University, and Agricultural University were especially visible in Sun. In addition, caravans of the members of Jiey Sind Hari (farmers) Sangat (Party), and Jiey Sind Muhaz had arrived there. Information from Sun revealed that the city was taken over by the members of Jiey Sind Movement and the government had lost control of the town's administration!

When I left Karachi for Sun, my mind was full of contrasting information about G.M. Syed's personality. He holds a very important position in Sind's politics. He has been anti-Pakistani ever since Pakistan was established. Some people in Sind love him and others harbor negative feelings toward him.

G.M. Syed started his political life in 1925 as a member of Karachi's local board. At various stages of his career he has associated with Khlafit Tehriq, Congress party, Jamiat-e Ulema-e Hind, Khakshar Tehriq, Sind Hari Committee, and Sind Muslim League. He was elected to the Sind Assembly in 1937. He fought for the tenancy rights of Sindhi farmer, remission of loans, and allotment of lands to the landless farmers. He established the "Ithadi" [united] party which tried to get Hindus and Muslims under one flag. He was later associated with the Muslim League and fought for establishing Pakistan. However, he had disagreements with Quaid-e Azam Mohammad Ali Jinnah in 1946. He began to fight for a united Indian confederation and started the slogan for secession after Pakistan was established. His Jiey Sind movement has especially influenced the unemployed youth. As we passed the Sind University at Jamshoro, we noticed boards displaying names of various organizations. These included Sind University, Liaqat Ali Medical College, Mehran University, Sind Adbi [Literary] Board, and Sindhology among many others. It would not be inappropriate to call this gathering at Jamshoro to be the hub of modern Sindhi literature, education, culture, and politics. There was a time when Shiekh Ayaz was the vice chancellor of Sind University. Sindhi nationalists have always considered him a very complex person. His poetry, however, still is enjoyed by the Sindhi youth. A police post has been established at this point and roads leading to all hostels and classroom buildings are guarded.

Everyone is checked before given permission to enter. The first time I saw the police while travelling to Sun was at this place. They were guarding the institutions of learning. The road to Sun goes through a rocky terrain, both plain and hilly. Shacks and tents of gypsies were seen at some places and few irrigated fields were also visible. Yellow fields of mustard shining in the sun were also seen. When I see these yellow flowers waving in the wind swaying their heads into each other, I remember William Wordsworth's poem, "Daffodils." The meeting heads of mustard flowers were left behind and we arrive at a small village called Manzur sporting Jiey Sind flags. This was the first time we saw Jiey Sind flags during our trip to Sun. We passed a police checkpost at Khanoot. Perhaps the largest deposit of coal in Pakistan is just 10 miles from Khanoot. Thousands of people work there. Khanoot is followed by Majhand, Korija, and Thodi Phatak. Thodi Phatak was the site of a very important even in Sind on 17 October 1984. Many university students were killed in a shooting by law enforcement agencies. We had then arrived at a point on the road from Jamshoora to Sewhen, Daud, and Larkana from where a link road goes to Sun.

Sun! This small town of 10,000 that hides the tumultuous politics of Sind in its breast is the ancestral home of G.M. Syed. The ancestral history of G.M. Syed and many other tribes is connected to this area. His old mansion is still here. Located on the banks of the Sind, this town is very old. Tongas [horse-driven buggies], Suzuki pickups were lined up to transport people from the main road to the town. All Tongas, Suzukis, bicycles, motorcycles, and other vehicles plying this road carried Jiey Sind Movement banners. The traffic in the street was very heavy. Sun had the atmosphere of a fair. Hotels were beautifully decorated and played Sindhi records. Most houses in the town bore signs offering room and board to visitors. It was learned that some people had vacated their homes to accommodate guests. They had moved to smaller places themselves. Banners wishing a happy birthday to G.M. Syed and welcoming the visitors were hung everywhere by the Jiey Sind Movement, Jiey Sind Hari [farmers] Sangat [Organization], Jiey Sind Students Federation, Jiey Sind Girls' Wing, and Latif Sangat [art group]. Some banners also demanded separation from Pakistan. Student groups were entering yelling various slogans. At some places we saw processions of small children. Some of these rural children did not even have a shirt on. They were raising "Sindhu Desh [country]" and "Breakup Pakistan" slogans. Students were living in many of the town's government buildings. Many hotels, stores, and beatle leaf stalls had Jiey Sind as their business name. Color photograph of G.M. Syed were hung in every store. G.M. Syed was meeting with various deputations at his residence. Mats were spread out in a large hall where people had gathered for conversation. Hafiz Qureshi, Habib Allah Narejo, Qamar Bhatti, Nazir Meman, and several other leaders of the movement were sitting next to G.M. Syed. The hall was full with people. Every newcomer was introduced and asked about his welfare. Dadu Hosho [A singer?] danced and sang Sindhi nationalistic songs in the middle of the hall. He was followed by some folk artists who sang Sufi chants. G.M. Syed sat in this crowed all day without showing any signs of fatigue. His birthday was the next day and he has been going through this routine for several days now.

All Jiey Sind organizations traditionally hold elections on 16 january, the day before G.M. Syed's birthday. As usual elections took place this year as

well. Elections of one organization were held in a building next to Sindhi Park and another one took place in a building adjacent to the police station. One group had its election activities in "G.M. Syed's house on the river" while another in his "house in the city." Panels were being setup and groups established. Some people got upset and were sulking while others were trying to appease them. People were nominating themselves or withdrawing their nominations. These activities lasted until late at night. The night went through and the town never slept. The moon also passed the skies of Sun. Time passed. Young men worked hard at setting up tents and large canopies. Arrangements for decorating and lighting the stage were being made. Suddenly the electricity failed. Everyone sat quietly in the dark. Young people lit matches while the folk singers sang Sufi songs. G.M.Syed sat silent looking at those tiny match lights. the electricity came on just when the matches began to burn the fingers of the young men holding them. Arrangements for backup generators were good. This crowd began to shift from the "bungalow on the river" to the "mansion in the city." G.M. Syed also started toward his mansion. A color photograph of a healthy G.M. Syed was displayed on the fireplace mantel. Burning wood roared in the fireplace and gave outa murky light which took us back into the past. I remembered the time when G.M. Syed on hearing about an assassination attempt on the life of Quaid-e Azam had fainted.

G.M. Syed is talking about the past. A Hong Kong journalist is interviewing him and G.M. Syed is telling him the history of this subcontinent in perfect English. He is explaining details about the founders of the united India, analyzing the politics of Emperor Asoka, Emperor Bikramajit, Akbar the Great, and the British Government in India. He is also discussing philosophy and talking about Krishna, Gautama Budha, Mahavir Jain, Guru Nanak, Bhagat Kabir, Khawaja Farid, Khawaja Mainuddin Ajmeri, Rehman Baba, Mast Tokali, Shah Inayet, Shah Latif, Sachal Sarmast, Bhulley Shah, and Sultan Bahu. He also discussed the India after the British and called Abdul Ghaffar Khan the king of politicians. G.M. Syed also commented on non-violence. G.M. Syed is talking and the whole atmosphere is quiet as the leafs of history books are being turned by his talk. Abdul Wahid Aresar enters the hall along with his friends. He is accompanied by a young man named Ghulam Shah Bukhari who has just been elected vice chairman of the Jiey Sind Front. This young man talks very fast and is giving his report about the elections of the Jiey Sind Porhiat Sangat. G.M. Syed is laying on a mattress on the floor and two young men are massaging his feet. Low heat from the fireplace is spreading around the room. Hamida Khouro and other leaders of the movement are busy meeting in the adjoining room. It is time to talk about organizational matters.

Journalists were transported to their hotels. A veteran Indian journalist was with me. He represented the PLEDGE a Hyderabad [India] newspaper. His name was Shebab Naqvi and was the president of All India Urdu Journalists Federation. He wanted to know everything about Sind. He believed that the regional forces would be beaten out by the federalist powers. He was hinting toward Benazir Bhutto. He told me that Muslims were massacred in Ahmedabad and some other places, but the Indian Government refused to recognize those incidents as Hindu-Muslim clashes. The government said that such fights occurred in Muslim countries also where Muslims are killed by other Muslims. He said that he wanted to give G.M. Syed a birthday gift the following morning.

The birthday ceremonies began at 11:00 am on 17 January. Habibullah Narejo, G.S. Syed's spokesman had told me that no liberal slogans would be permitted and members of various groups would be seated in separate areas. He said that they wanted all groups to agree on Sind's problems. Commenting on Sind's Muhajir population, he said that their policy about all non-Sindhis was the same. Anyone who considers himself a Sindhi should join forces with them [G.M. Syed's group] Any newcomer who speaks Urdu or Punjabi is not considered a Sindhi. He continued that compromising their policy would be self-delusive. These people have to accept Sind's heroes, language, literature, and culture. He said that the assimilation process does not take centuries but the right circumstances. The federal politics is changing into provincial politics. He went on that Khaliq Alazman could not go to Punjab and Tikka Khan could not hold a meeting in Sind because the federal level parties were weakening and we [the separatists] were getting stronger. Habibulla Narejo was elected central president of the Jiey Sind Students Federation twice and has won prizes at various university debates including All Pakistan University Gold Medal, Sind University Gold Medal, and Sind Board Gold Medal. He has spent about 8 years in jails since the Bhutto era. In 1977, Bhutto had invited some Jiey Sind leaders to his jail cell for discussions. Habibullah Narejo was in this group which consisted of Abdul Wahid Aresar, Shah Mohammad Shah, Ali Hayder Shah, Maula Bax Laghari, Manzur Khatak, Qamar Bhatti, Muzaffar Shah and Sajan Dahri. Habibulla's brother-in-law, Haseen Bax Narejo works with Rasul Bax Palejo, the Sindhi leader who is strongly opposed to G.M Syed.

At 11:30 am on 17 January, G.M. Syed cut two birthday cakes, each weighing 84 pounds, at his residence. Outside people were not invited for this ceremony, however, a large number of Sindhi females were present. One birthday cake was not cut because of the situation in the large canopy. People were arriving in Sun on 17 January and a large number of the Front workers arrived that day. The large canopy was already full when G.M. Syed arrived. Tea and book stores were established on all sides of the huge canopy. Books by leaders of Jiey Sind and Sind Sagar were being sold there, however, no book by G.M. Syed was available in those stores.

A 50 feet by 25 feet stage was erected for this occasion. This stage was decorated with banners wishing G.M. Syed a happy birthday by Jiey Sind Hari Sangat, Jiey Sind Porhiat Sangat and the Girls Front. Places for various groups were separated by ropes and were labeled as Sindhi-Baluch-Pakhtoon Front, Pakistan People's Party, Hari Sangat, M.Q.M [Muhajir National Movement], A.N.P., Jiey Sind Porhiat Sangat, Jiey Sind Hari Sangat, Jiey Sind Students Federation, and Latif Sangat. Members of the Front People's Party and Sind Sagar Party were seated in adjoining areas. It was learned that some people belonged to the National People's Party who had come on their own. Some associates of Rasul Bax Palejo had also come. A flag of Sind-Baluch-Pakhtoon Front was also visible along with the flags of Jiey Sind Movement. A young man bearing a Kalishnikof rifle was walking in the middle of the canopied area. G.M. Syed arrived in the canopied meeting place 5 minutes after 1:00 pm. It took him 15 minutes to reach the stage while all participants raised slogans. An announcement from the stage requested not to deliver any derogatory slogan. However, slogans against Pakistan and supporting the alleged Sindhu Desh were heard..

Representatives of other parties and leaders of Jiey Sind were invited to sit on the stage after G.M. Syed sat down there. About 30 chairs were placed to the left of the stage for girl students. There were found not to be enough and some of the girls sat on the floor of the stage. After G.M. Syed had sat down, stage secretary Taj Joyo, who is the general secretary of the largest Sindhi literary group - Sindhi Adbi Sangat - began to invite Jiey Sind leaders and invited guests to the stage. Shafii Jamot, Karachi organizer of Sind-Baluch-Pakhtoon Front; Dr Akbar Ali Bhargari, acting general secretary of Sind; Gohar Khan Zarkazai, Front's central committee representative from Baluchistan; and Mrs Shamsher Bhargari from among the ladies were invited to sit on the stage. These leaders followed them to the stage: Qasim Pathar and Sufi Hazur Bax of the Sind Hari committee; Mohammad Aarib of Sindhi Hari Movement; Sulieman Dahri, central president of Sindhi Shagrid Movement; Sher Ali Bacha, leader of the Mazdur-Kisan Party; Ali Mukhtar Rizvi, leader of Muhajirs; and Zahir Ahmad advocate and Aftab Pirzada advocate, respresenting Karachi lawyers. When the names of these leaders were called out, their followers raised various slogans in their support and also tried to name Mumtaz Bhutto as Sind's leader. At this, Qamar Bhatti, the former vice president of Sind Students Federation, stood up and told people that, "Sind's only leader is G.M. Syed, and we do not accept anyone else as leader here." Abdul Wahid Aresar and Ghulam Shah Bukhari, chairman and vice chairman respectively of the Jiey Sind Front, were then called to the stage. Young men raised slogans when Aresar was called. Bashir Khan Qureshi, the two-term president of Sind Students Federation; Ghulam Mustafa Janauri, general secretary of Sind Students Federation; Ali Nawaz Butt and Abdul Malik Mahir, president-elect and general secretary of the Jiey Sind Porhiat; Itaullah Ander and Mohammad Rahmu, president and secretary general of Jiey Sind Hari Sangat; and Jamal Abdul Nasser, president of Latif Snagat were called to sit on the stage. Abdul Wahid Aresar sat on the right side and Hamida Khouro on the left side of G.M. Syed. Hafiz Qureshi, the prominent leader of the Jiey Sind Movement placed a garland on G.M. Syed before the program began.

The actual birthday ceremony began at 1:50 pm when Taj Joyo, the stage secretary, congratulated G.M. Syed on his 84th birthday on behalf of all present. After that a song was sung by Seema Pul and Marwi Pul, two girl-students from Larkana; Irshad Barwi Sindhi, and Aashiq Nazamani. G.M. Syed and participants stood up in honor before this song began and remained standing until it was over. The opening line of the song was : "Oh my mother Sind, I bow to your dust."

Girl students from Hala Puraney presented G.M. Syed with a nosegay and a Jiey Sind Movement flag with the picture of an ax and a map of the alleged Sindhu Desh. Hafiz Qureshi Junior presented a portrait of Mujibul Rehman. Jiey Sind workers presented a "mixture." Members of Jiey Sind Student Federation of Sakkar presented G.M. Syed with his portrait drawn on a map of Sind. Sarfiroz Meman, a youth from Nawab Shah, presented G.M. Syed's portrait etched on glazed metal. Bashir Khan Qureshi, the central president of Sind Students Federation gave a garland to G.M. Syed. This was followed by another Sindhi song sung by the Pul Sisters. This song started with, "Give me the emperor's army and I will give you a garland and a Sindhi cap!"

Shabab Naqvi, president of All India Urdu Journalists Union, presented a 1984 coin with Indira Gandhi's picture on it on G.M. Syed's 84th birth anniversary. Then, he had himself photographed With G.M. Syed. Jiey Sind Muhaz of Gujero presented a Sind map inlaid with pearls.

Khan Abdul Ghaffar was originally supposed to preside over the meeting. However, G.M. Syed had to preside since Ghaffar Khan was not allowed to enter Sind. After receiving gifts, Mr Syed read his address of welcome. He talked about his early political life and said, "...selfish attitude of landlords to stay in power, Hindu loan sharks trying to protect their future, desire of bureaucrats to become rich overnight; cowardliness of leaders, pirs, capitalists, and and landlords all tried to hinder my progress. These combined with my own political inexperience, emotional instability, and conspiracies of cunning people did not let me succeed. In the beginning my associates and I thought that the biggest problem that Sind faced was its annexation to Bombay. So we fought to have Sind separated from Bombay. Sind was `freed' from Bombay, however, due to separate elections, special rights of the governor, poverty in the province, permanent benefits that Sind's higher society must have, and mutual bickering among all groups left us at the mercy of all India parties. Meanwhile, the British sowed the seeds of separatism among Hindus and Muslim in the provinces where either of them were a majority. That helped the British to stay in power....An English group made up of Fabian Society members wanted to keep India united and help it make economic progress. Another group wanted to break up India into smaller parts based on religion, race, and selfishness."

G.M. Syed commenting on partition of India on the basis of Muslim nationality and explaining his critical view on this issue, added that, "when I established Itehad [unity] Party in Sind in 1937, I wanted Hindus and Muslims to forget their selfish goals and work together for the progress of Sind. Unfortunately, this did not happen. I, who supported Sufi love and sense of cooperation, fell prey to various tricks of politicians. I got caught in the wrong philosophy which did not support the peaceful goals of Islam, believing the wrong explanations, and going against the teaching of the Koran. I became a pawn in the chess game of imperialism and worked to the contrary of the thousand years of Islamic teaching, political know-how from Asoka to the British, and philosophical teachings from Krishna to Shah Latif." He added that Pakistani government supports the freedom movements in Afghanistan, Kashmir, Palestine, and Namibia. However, it does not recognize the rights of provinces in Pakistan and considers the efforts of Sindhis and other groups for their rights worse than paganism, and crushes our efforts forcibly. "We have no other alternative left but to declare in this atmosphere of hopelessness (which some administrators insist on calling `a feeling of deprivation') that we do not want the gold that might hurt our ears." Advising the world powers for cooperation, G.M. Syed explained his program for "Sindhu Desh." His stand now has shifted from an independent country to a more flexible demand. G.M. Syed is trying to address international issues based on his beliefs in non-violent movement. His Sufi training does not let him out off his relations with Punjab. He added, "I am not afraid to go on record when I say that capitalist and socialist ideologies are part of the Western culture. The basic ingredient of their ideologies is materialism. Their interests lie in cooperation and following the principle of `live and let

live.' I believe that India, Sind, and the Middle East (the source of spiritualism) need the Western science and technology in order to make progress.

"It is not appropriate to stay in the blind arms race, keeping the civil war going in Afghanistan, and increasing mutual lack of trust among the countries in this subcontinent. I believe that the present rulers of Pakistan and the majority of Punjabis have forgotten the teachings of Sultan Bahu Balley Shah and Guru Nanak and have adopted Iqbal's fascist attitude. We cannot expect them to follow the right path. Therefore, Fellow Sindhis, you have to decide after some serious thinking whether you want to destroy Sind by following the wrong interpretation of Islam and the false representation of socialism, or openly declare that you want to establish friendly relations with India and help the Western powers to work together." He added that physically we have always been restricted by Pakistan. "I have spent 24 years in jails. Whippings, bullets, hangings, and other calamities have become a regular part of our luck. Our brave sons and modest daughters spend the best years of their lives in jails and torture chambers. I have seen brave young men being burned with bullets. All political prisoners in Pakistan have been freed, my associates and I are still waiting for the sun of freedom to rise. In the past, Sindhi homes were bombed and fields were burned. Innocent children and women were kept hungry for weeks. People were crushed under trucks in the name the Holy Koran. In this situation, we have to accept that we are not being ruled by our brothers but by some imperialists.... This world is sitting on a dynamite mine. Millions of mothers and innocent children are praying for peace and looking up to the leaders of the world. They can get permanent peace and happiness by practicing non-violence only."

When G.M. Syed's speech was over, he was presented a model made of axes, flags and Sind's map by students from Shehdad Pur. It was followed by a poetic tribute by Farah Adib, a student representing Jiey Sind Girls Front of Hyderabad. One line from that poem read: "G.M. Syed, we commend you that even though you are an Arab, you are known as a Sindhi!" This poem was followed by several poems sung by Shamash Hina of Sind University.

Hamida Khouro, leader of the Jiey Sind Movement, gave her speech after this. She said that they celebrated S.M. Syed's birthday on 17 January 1984 even though many Sindhis were massacred in 1983. "Anytime Sind is hurt, we use this occasion as a salve on our wounds. We see that Sind is burning. Since 75 percent of Sindhis live in rural areas, they are peace loving and tolerant. The enemy thinks that he has silenced us. The enemy is wrong. Sindhis hold the majority and will get their rights." She added that everyone has seen how emotional our young people are. "Still G.M. Syed decided to invite all Pakistani parties here to sit down under the chairmanship of Bacha Khan [Khan Abdul Ghaffar Khan] and try to solve our country's problems. The selfish rulers, however, did not understand our goals as they are blinded by power. They missed this golden opportunity. The rulers admit that our country is in danger. They tell us about Afghanistan and the USSR. We had invited them all to come help us solve these issues. G.M. Syed and Bacha Khan are also capable of solving problems." Some young men raised slogans during Hamida Khouro's speech. She told them that problems cannot be solved by raising slogans; they require hard work. "We have lists of martyrs. We will take revenge. We have just started to struggle."

She referred to the murder of Abdul Haseen Chandio in a steel mill and said that the news media did not give enough coverage to this incident. This was not fair to Sindhis. Discussing the Muhajir and Pathan factors in Sind, she said that, "After noticing our weakness, other groups also have started to make demands. They claim to be our `brothers' and demand for recognition as an ethnic group. Muhajirs also want to be recognized as a formal group and want their language to be officially accepted. Their language has already been accepted. They also want the quota system be cancelled.... All this is not fair to Sindhis. This resulted from our own weakness. Why do not we rebut such false demands? It has become very embarrassing for us. We are a formal [ethnic] group and only this group with its own language will live in Sind. We gave them asylum 40 years ago and now they are calling us farmers and laborers and trying to takeover our resources." She challenged the young people with, "if you have the courage and ambition, then go shoot your gun! You do not need permission from anyone. But, we will fight our war with our intelligence. Anyone who wants to live with us as a Sindhi is welcome. Nawab Muzaffar and Pathans visit G.M. Syed and people from Karachi come to see me. Why are Sindhi workers facing so many problems in Karachi? Why Are Sindhi teachers being persecuted? If those people call themselves Sindhis, then they must learn Sindhi."

Abdul Wahid Aresar took a little different stand than did Hamid Khouro. He said that he was in support of establishing a strong united group in Sind so that it helps started "mother party." He added that he had invited all parties to join in this effort, but expressed his doubts about getting any cooperation. He went on that he had signed a "no war pact" with Sind Watan Dost Party, Jam-e Saqi group, Palejo group, and Jiey Sind Movement on 26 February 1986. The groups had decided to stop talking negatively about each other in order to help Sind. Discussing other groups living in Sind, Abdul Wahid Aresar said:

"We think that Muhajirs' future is tied to Sind and we consider them part of our community. We think they have their right to Sind. The Muhajirs always have been revolutionary in nature and at present an organized conspiracy is trying to change their nature."

About Pathans and Punjabis, he said, "We are with the Pathans if they agitate for the Pakhtoon nation under the guidance of Khan Ghaffar Khan. However, Wali Khan's statement telling us that 10,000 Pathans were ready to fight makes us think he is not the son of Ghaffar Khan, but of someone else. All Pathans and Punjabis living in Sind should returns to their homes."

Abdul Wahid Aresar further said, "Struggling in the present circumstance might hurt us. We know it, but we also know that this struggle will pay off in the future. It will help form a new Sindhi nation from the rubble. Our purpose is to form a new group and the Muhajir group is part of our plans." Abdul Wahid Aresar referred to socialism by saying, "We Pathans support revolution and support the Soviet Union's struggle against international imperialism."

G.M. Syed had taken socialism and communism to task in his speech and Hamida Khouro made the Muhajirs the target of her criticism. All this shows that

there are wide discrepancies among Jiey Sind leadership over many issues. Abdul Wahid Aresar is influenced by the Soviet Union and G.M. Syed does not want to talk about anything but nationalism. Hamida Khouro is busy attacking the Muhajirs and Aresar wants them to join Sindhis to form a new group! He talked about national level parties and said that they [Jiey Sind] have no disagreement with them. The disagreement, he added, happens among parties that are ready to run for some election. We are not interested in any election. He added that Benazir Bhutto has been defeated on the basis of ideology and now she is trying to run her show based on people's blind faith. He further said that he had heard Bhutto speak in 1968 at Mir Garden, Hyderabad and had written in his diary after the speech that this person is very dangerous to Sindhi nationalism. Aresar also said that the slogan for a confederation was helping the nationalism movement. He did want Sindhis to be in competition with any party. "We consider Pir Pagara to be an organized Sindhi force. We are not disappointed even with one Sindhi!"

Gohar Khan Zarlazi, member of the central committee of Sindhi-Pakhtoon-Baluch Front spoke in Sindhi, "Bengal was a [Bengali] majority province and they even won the election, but Punjabis did not let Mujeeb take power. Pakistan was divided as the result of this highandedness. We have 40 years of experience in dealing with the `big Punjabis brothers,' and we cannot trust them anymore. Dr Najib has stopped his war and it time for the Afghans to return home. Pakistan is being made the sacrificial goat because of the U.S. aid and interference. They have established U.S. bases in Makran area."

Sher Ali Bacha, leader of the Sarhad Mazdur-Kisan [Labor-Farmer] party, said that Pakhtoon, Baluchs, and Sindhis have to join forces in order to fight the Punjabis. "The reason for the fights between the Muhajirs and Pakhtoons is that the majority group does not want the minority groups to unite and work together."

Later, Abdul Hafiz Pirzada, central secretary general of the Sindhi-Baluch-Pakhtoon Front, surprised everyone by showing on the stage. In an emotional speech, he said that the Punjabis will be given one last chance to return to their province in a gentlemanly way. He added that the military men and other enemies [Punjabis] had no right to living in Sind. He explained that the cases registered against him are enough to send him to the gallows. According to some sources, Hafiz Pirzada had arrived at Sun the previous night and was staying at G.M. Syed's house.

7997
CSO: 4656/49

END

END OF FICHE

DATE FILMED

6 Aug., 1987